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The Nation's Business

Canadian Revenues Show Big Growth
Despite Tax Rate Cut, Taxation Increased
Promise of Reductions
Taxes and U.S. Boom
Guthrie Misses Points

THE word has come out of Ottawa that further tax reduction is certain to come at this session of Parliament. It is always wise, however, to distinguish between reductions in the rate of taxation and reductions in the weight of taxation. There were tax reductions at the last session of Parliament; "sweeping reductions all down the line" in income tax, reductions in customs tariffs and elimination of the stamp tax on receipts. In the interval since these reductions came into force, business has so expanded in Canada that governmental revenues have grown to such an extent that the Dominion government is now collecting in taxes much more than it collected under the higher rates of a year ago. Unless the further tax reductions that are promised are very substantial they will hardly serve to do more than keep the tax revenues from growing. Only substantial tax reductions will so reduce expenditures as to make it essential to come to close grips with public economy.

* * *

WHAT has been the result of the "Sweeping reductions" in the income tax? Revenue from income tax in the first eight months of this fiscal year, the period in which practically all of the income tax revenue, is collected amounted to $45,400,000, as against $52,600,000 in the similar eight months of 1925. This is a reduction of about 13 per cent., not so sweeping as it seems. Of course one explanation is that income tax burden on investors in Canadian securities was increased although reduced on salary earners. The increases offset to some degree the decreases. Nevertheless, the 13 per cent. reduction has definitely given stimulus to business and further income tax reduction, especially if it can be made to benefit investors, will further help to promote prosperity in Canada.

* * *

CUSTOMS duties were also cut and yet customs duties in the eight months period have increased from $85,500,000 to $96,400,000, an increase of almost $11,000,000. Here several facts have been at work; one is that the lower duties have encouraged importation rather than home manufacture and have thus increased customs duties out of proportion to the benefit to the country. The other is the fact that purchasing power in the country has increased from the expansion of natural industries and has thus stimulated buying both at home and abroad. Yet a third factor is the more careful administration of the customs department under Hon. W. D. Euler.

Other tax revenues have grown. Excise duties have increased from $29,500,000 to $34,100,000. The various excise taxes, such as the sales tax, the stamp tax, etc., have brought in $65,800,000 as against $60,900,000. This has occurred despite uneven collection of the sales tax. All told, Dominion revenues from taxes have increased from $230,500,000 to $243,400,000. While Dominion revenues from all sources have increased from $259,700,000 to $273,000,000.

* * *

THESE figures, compiled from the eight months financial records of the department of finance, are full of promise. They show that tax reduction is essentially a possibility. They show that further income tax reductions, abolition of the stamp tax and perhaps halving of the sales tax are possible. It is probable that even if all these steps were taken the country's revenues would be as great as they were a year ago when there was no question of the country's ability to meet necessary expenditures and show a surplus, even without reducing expenses. And expenses have been reduced. Ordinary expenditure in the eight months was $203,000,000 as against $210,000,000 in 1925. True the necessity of advancing $8,500,000 to the national railways converted what might have been a decline in total expenditure on ordinary and capital account into an increase of about $3,000,000 but it is apparent that 1927 should see further declines which can be guided by the government if it wills and made of real substance and import.

* * *

CANADIAN business men are asking, and now confidently expecting, further tax reductions and have faith in Hon. James A. Robb. They feel that he has the business sense that will enable him to see the close link between governmental economy and national prosperity. This connection was never better expounded than in the presidential message of

(Continued on page 4)

Massey-Harris Likely to Show $13.50 a Share as Was Earlier Forecast

Earlier Report of Prosperity in Industry is Now Substantiated

EXPAND FROM PROFIT

Factory at Batavia Busy on New, Improved Reaper-Thresher; French Works Are Ready

Although publication of the annual statement of Massey-Harris Co., for the year ended November 30, is not expected for another month, it is reported on good authority that the company has experienced almost the best year in its history. Last July The Financial Post estimated that the earnings for the year would be equivalent to $13.50 the share. This, it is said, will be approximately what the report will show.

Massey-Harris shares have been strong in the market. Listed last March, the stock has climbed steadily to 68, principally on investment buying.

Busy at Batavia

The Batavia works, in New York state, which long has lagged behind the other factories of the company in earning capacity, is being operated overtime now for the first time in its history. This plant is engaged principally in the manufacture of the new Massey-Harris reaper-thresher which is said to be an improvement over competing reaper-threshers in that it can reap and thresh grain which has a straw as long as three feet. Heretofore, the reaper-threshers in the market were practicable only in countries where grain headed out only on short stalks. They were of no use at all in Canada and in most of the grain-growing states to the south.

One of the greatest assets of Massey-Harris is that its business has been divided between domestic and export business. From the investor's viewpoint it has derived additional strength in that its factories are scattered in various countries to overcome tariff obstacles. The newest factory is at Lille, France. A thriving business is anticipated there as a result of the protection afforded by the French government.

This company is in excellent condition to benefit in old-world countries which only since the war have been turning to the use of machinery in agriculture and its domestic business is certain to increase so long as the present aggressive, yet conservative, management of the company continues and while the grain-growing industry of Canada increases in relative importance, as compared with the United States.

Out of Earnings

Capital expenditures during the year have not been unimportant, yet all have been financed out of earnings and it is unlikely that bond or stock issues will be necessary at any time, in the near future, at least. The paid up capital is $24,179,800, which is small considering the extent and importance of the company's business. There is no funded debt. There is a contingent liability, however, in $1,600,000 of debenture notes of the Massey-Harris Harvester Co. These totaled $2,000,000 at the beginning of the fiscal year, but $400,000 were retired on October 15. Bank loans of the harvester subsidiary also are a contingent liability of the parent company, but the total is said to be unimportant.

Net profits of Massey-Harris totalled $1,411,000 in 1925. The 1926 total, it is said, will be substantially increased. The surplus also will be increased materially despite the financing of capital expenditures during the year. The relation of current assets to current liabilities, always good, is better than ever. In this regard and in other important financial aspects, the company's position compares favorably with the position of its competitors, including that of the one company which shows greater gross assets on a much larger capitalization.

RAILWAY EARNINGS

	1926	1925	Change
Canadian Pacific			
Week end: Dec. 7	$4,203,000	$4,668,000	—$465,000
Canadian National			
Week end: Dec. 7	$5,089,148	$5,563,643	—$474,495

'Peg Electric Customer Campaign Big Success

WINNIPEG. — Winnipeg Electric Company's offer of 2,500 shares of its 7 per cent. preference stock of a par value of one hundred dollars to its employees and customers met with remarkable success. The sale opened on Monday morning and closed Tuesday night with over 11,000 shares applied for by 2,200 new shareholders. The shares were offered through employees of the company under the customer ownership plan.

Japan Oranges for Christmas

Some six hundred thousand boxes of Japanese oranges are pouring into Canada, through the port of Vancouver to be distributed across the country for Christmas consumption. The handling of this fruit requires as much speed and care as the handling of silk, and special trains are being used to speed up the delivery on both trans-continental lines.

NFLD. RAILROAD BUYS 15,000 TONS RAILS FROM BESCO

Gives Further Impetus to Steel Industry at Sydney

From Our Own Correspondent.

SYDNEY. — Still further impetus has been given the rapidly reviving steel industry by an order received by Besco for 15,000 tons of steel rails for the Newfoundland government lines.

The Ancient Colony road has been in need of re-railing for some time, and a start is to be made in this direction next summer.

In addition to orders now actually being rolled, Besco has at least 40,000 tons of rail orders on its books, or enough to keep the Sydney plant working well into next spring.

All mills are working full time on rods, merchant bars, wire fencing, and nails. It is reported that the whole plant will go on double shift about the first of the year.

Almost Cause of Fight

The Newfoundland order came near being the cause of a controversy between the company and the Newfoundland government, because its award to the Canadian concern was followed almost immediately by an announcement that No. 6 slope of the Wabana ore mines would close on December 18 and not resume work until January 5, when No. 4 slope will also re-open for the season.

The difficulty was straightened out when vice-president J. E. McLurg stated that the shut-down of No. 6 is not in the nature of a mid-winter lay-off, but is the customary Christmas vacation arranged annually at the request of the iron miners themselves who often wish to spend the holiday with relatives and friends in distant parts of the colony.

Besco's active staff continues at around 3,000, with many ships calling for cargoes and bunker coal.

Buffalo Bonding Privilege Costs Canadian Mills $6,000,000 Revenue

Annual capacity of Canadian flour mills .	30,000,000 bbls.
Actual Annual Production of these mills	20,000,000 bbls.
Milled in Canada for domestic use annually	9,000,000 bbls.
Milled in Canada for export	11,000,000 bbls.
Canadian wheat milled at Buffalo for export, exempt from 99 per cent. of U.S. wheat duty	4,000,000 bbls.
Average manufacturing cost per bbl. . .	$1.50
Loss of revenue to Canadian mills through Buffalo bonding privilege	$6,000,000

Canadian Milling Industry Quiet Now Though Buffalo Busy

Oriental Market for Canadian Flour Unsatisfactory — American Mills Grab Off Much of Export Trade and Want More — Remedy is Suggested

The drop in the price of silver in the past several months has affected the anticipated earnings of Canadian flour mills in 1926. Contributory factors have been that the Chinese rice crop is better than normal and the Chinese wheat crop is fairly good. Then, too, insurrections in various provinces in the Celestial republic have been a reason why the Chinese have bought less wheat from other countries than formerly.

Last year, the Chinese purchases, which flowed through Canadian ports, rose to the tune of 1,775,000 barrels of flour. That is a very large amount of flour. This year, the Canadian millers hoped to develop this market to 2,500,000 or 3,000,000 barrels. Hardly a barrel has been shipped.

On the Atlantic side, there is a similar story, but the British coal strike, which has interfered with the normal flow of trade, is the reason, rather than any fluctuation in the price of silver, a good or a bad rice crop or an armed insurrection. At the present time, the export business of the Canadian milling companies is stagnant. Normally, it contributes more than half the milling business. If the mills were to be operated to capacity, the export business would total twice, more than twice, the domestic business.

Expect Early Revival

It is anticipated, however, that the European situation will be cleared up rapidly now that the British miner again has taken his pick in his hands.

Despite all the difficulties in the export market, it is expected that the annual financial statements of the milling companies will show an improvement over last year, especially with those companies the fixed charges of which have not grown out of proportion to the earning capacities of the mills operated.

That Chinese business, which grew from nothing in 1915 to the respectable total of 1,775,000 barrels of flour last year, was a capture from the mills in the Pacific region of the United States. Now Seattle and Tacoma interests have a scheme afoot, not again to raise the wheat to ship to China, but to mill Canadian wheat in bond for export.

This is an activity which, on the other side of the continent, is helping a United States city, Buffalo, to wax rich at the expense of Canada and a Canadian industry.

Ask Export Rate

As most folks know, there are two rail rates on grain shipped from the Prairies to the Pacific Canadian ports. One is the domestic rate, which is fairly high. The other is the export rate, which is materially less. But the export rate is applicable only to grain shipped to a Pacific Canadian port for export to England and certain other countries and the bills of lading must be so marked. The United States is not among these certain other countries. Grain shipped westward and destined for the United States is carried at the domestic rate.

The difference between the domestic rate and the export rate enables Canadian flour millers to hold their own in the export trade. The Seattle and Tacoma millers cannot advantageously mill Canadian wheat for export although the customs duty is less than half a cent a bushel on Canadian wheat milled for export. Canadian wheat imported into the United States for consumption in that country is subject to a duty of 42 cents the bushel.

Seattle and Tacoma, watching with interest the growth of the Canadian grain and flour export business from Pacific Canadian ports and noting with concern the loss of the Chinese and other trade, wish to get into the business of milling Canadian wheat for export and into the profitable blending end of the business by getting customs house licenses entitling them to the 99 per cent. drawback. They can get the licenses from their own government readily enough, but until the wheat destined for the United States is shipped from the prairies at the export rail rate, the advantage will lie with the elevators and mills at Vancouver.

See Through Scheme

The Americans have started an agitation north of the 49th parallel of latitude. The more sensible of the grain men and the more thoughtful of the farmers see through the scheme. But there are grain men and farmers who get excited every time anyone suggests that any Canadian regulation or law is narrowing a market and there always are politicians who are ready to form a bloc to secure legislation in accession to thoughtless demands from a minority which, if it is not selfish, is easily stampeded.

It ought to be evident to any Canadian grain dealer, grower or politician, that milling Canadian wheat in the United States is not helpful directly to the grower and is indirectly harmful in that it affects adversely the prosperity of the Dominion.

The suggestion for an export duty of 25 cents the bushel on Canadian grain in order to promote the milling industry in Canada is not well thought of by millers in Canada for a variety of reasons. The principal reason the suggestion is not considered seriously is that there are a number of practicable difficulties to be overcome before an export duty can be applied. But hardly a less important reason is that public sentiment in these times would rebel at the thought of an export duty on the grain, although, in the present competitive condition of the milling industry, it is improbable that there would be any reduction in the price of wheat to the grower or any enhancement in the price of flour to the consumer as the result of the imposition of a charge on the move-

(Continued on page 9)

Canada Stands Badly in Need of Increased Advertising in Britain

Campaign of Publicity, Directed by High-grade and Experienced Specialist, Would be of Immense Benefit, Attracting Settlers and Capital and Helping in Sale of Products

By **HORACE T. HUNTER**,
Vice-President, The Financial Post.

Fifth article in series on Imperial Conference and its results. Mr. Hunter was in London during the conference investigating Empire Imperial and Canadian economic problems on the spot.

CANADA stands badly in need of more and better publicity in Great Britain. While in London, I discussed this matter with one hundred or more prominent Canadians. Many of these are associated with Canadian companies and others have embarked on some enterprise in Great Britain. From almost every one of them I heard the same story, Canada is losing a great opportunity through lack of a comprehensive, forceful and intelligent publicity campaign.

Such a campaign would be of the greatest assistance in securing settlers, attracting capital, and developing markets in Great Britain for our agricultural and manufactured products.

The High Commissioner for Canada, Hon. P. C. Larkin, has done much since his appointment four years ago. He established "Canada House" on Trafalgar Square and thus brought our head office to the most prominent and most central location in London. He has taken a prominent place in the business and social life of England. This has brought him in contact with a number of big investors and he has persuaded many of them to come to Canada to investigate conditions at first hand. He collected over $130,000,000 due us from foreign countries. He was instrumental in having cattle embargo removed. He has acted as adviser to the Canadian Government on many matters of confidential nature which required the services of a man of large calibre, one who has been accustomed to handling big business questions. He has insisted that at all public functions Canada's representative should have the position of an ambassador and not that of the representative of a Crown Colony. All this has been of great value to Canada and it paves the way for a big forward policy of organized publicity in Great Britain which should be undertaken by the Canadian Government at the earliest possible moment.

Canada Needs Publicity Manager

We need a man in London as publicity manager for Canada. He should be a trained newspaper man with a good "nose for news." He should have a thorough knowledge of Canadian business conditions; in fact, such an experience as a man could get only by filling successfully some important executive position with a large and aggressive company. Such a man could widen the influence of our High Commissioner, Agents General for the Provinces, and Trade Commissioners.

Some publicity work is, of course, being carried on at the present time,

(Continued on page 8)

QUEBEC PROVINCE HAS TAKEN STAND ON TIMBER LANDS?

Government Said to Have Decided Against Further Leases

ACTION IS DOUBTED

It is Felt That Co-operation of Other Provinces Necessary— Position of Mistassini Company

From Our Own Correspondent

MONTREAL.—Rumors have been heard here that the government of the province of Quebec has quietly taken the stand that it will allow the erection of no more newsprint mills until the present danger of over-production has been removed. The government, of course, cannot prevent the erection of mills by those who have a sufficient supply of raw materials to feed their plants, but the idea is that no more crown grants of timber limits will be made in the meantime, or other encouragement given to the establishment of further newsprint mills.

Protecting Present Mills

If this be so, the idea underlying such a move is to protect the present mills which provide large revenues to the province and which have considerably increased the prosperity, not only of Quebec, but the whole of Eastern Canada; it would tend, also, to protect the province's forest reserves. Possibly also, there is the thought that the present price of newsprint is not high enough to allow the companies to make proper provision for forest depletion.

While stories along these lines are being heard, there are those associated with the industry who feel that such a policy by the province, if undertaken to protect the present vested interests, would prove only mildly effective. First, the co-operation of Ontario and New Brunswick would also have to be secured and, secondly, all those mills which are planned to come into production within the next year and a half, or two years, have already acquired sufficient, or practically sufficient, timber limits for their needs.

Locking Stable Door

It seems to be pretty generally felt that at this juncture any such action on the part of the provincial officials is rather like locking the stable door after the horse has gone. Of course, newsprint executives welcome anything which indicates that the government is awake to the possible surplus which may exist on the newsprint market during the coming year and is willing to assist the producers in any way possible.

It has been suggested that perhaps the rumors regarding governmental action by the province of Quebec on newsprint matters has been caused by the present Mistassini Power and Paper Company development. There has been some discussion regarding this project of late. It is said that it may come up for discussion at the forthcoming meeting of the Quebec legislature.

The reason for this is because it has generally been understood in this province that in the future the government would reserve the crown timber limits for the use of the present operators. The idea being, of course twofold; first, to conserve the timber resources; and secondly to assist in every way possible the prosperity of the present companies. No good end would be served by allowing too keen a competition between many operators.

Probably, the real reason why the Mistassini Power and Paper project obtained its limits and power sites from the government of Quebec lies in the fact that the mills are to be established north of Lake St. John—a territory which the government desires to see opened up and properly colonized. Thus, no disapproval of the project has been voiced by those in the industry for the completion of the development program should do much to open up this hitherto more or less neglected section of the prosperous Lake St. John district—a very desirable end.

Investor's Index

Abitibi 7
Anglo. Paper . . . 7
Atlantic Sugar . . 7
Bell Tel. 2
Brant. Cord . . .11
Besco 1-11
Dominion Iron . . 11
Dom. Glass 4
Flour Milling . . . 1
Grain Growers . . 13
Dupuis Freres . . 9
How. Smith 6
Indus. Alco. 8
Inter. Paper . . . 6
Laurentide 6
Loblaw's 9
Massey Harris . . 1
Port Hope San. . . 5
Pac. Burt 4
'Peg Elect. . . . 1-4
Quebec Pulp . . . 7
St. Maurice . . . 7

MINES

Abana 26
Argonaut 25
Algonquin 26
Barry Holl. 26
Boischatel 25
Castle 26
Corona 25
Duprat 27
Gold Hill 25
Hecla Copper . . . 28
Imperial Oil . . . 25
Indian 28
La Rose 28
Noranda 28
Red Lake 25
Rouyn-Bois 25
Smelters 26
Towagamac 28
Teck-Hughes . 25-28
Tough Oakes . . . 28
U.S. Smelting . . 25
Vipond 28

Background of Canadian Business

By JOHN E. LANGDON,
Business Editor, The Financial Post.

WEEKLY REVIEW OF CONDITIONS

General Business Continues on Good Scale
Reduction in Sales, Income and Stamp Taxes Expected
Growth of Pulp and Paper Trade Affects Spruce Market
Lack of Foreign Orders Slows Up Milling Operations
Commercial Failures Less Than in Last Five Years

NO CHANGE of any importance is apparent in the business situation and it is likely that the year will close strong, with sufficient business on hand or in sight to carry on during the first quarter of 1927. Manufacturing shows no let-up and wholesale and retail trades are experiencing good times. An immense amount of money was put into circulation early in the month through disbursements of dividends and optimism in present conditions is reflected in the large proportions which the Christmas trade is assuming.

Tax Reduction Expected

Further reductions in taxation may be forthcoming during the present session of Parliament — reductions which, if approved, will have a beneficial influence on business during the coming year. No authentic information is available as to the extent of the cut, but it is generally believed that the sales tax will be lowered from 5 per cent. to 2½ per cent. Moreover, there will be a further downward adjustment in the income tax and the removal of the stamp tax on cheques. These changes are justified in view of the fact that revenue is well in excess of expenditure, and is growing, while expenditure shows a tendency to decline.

The burden of taxation carried by Canadian business during the past few years, has been heavier than that in force in most other countries and money which would ordinarily be used in development work and creating new markets for Canadian products, has been paid into the federal treasury. The sales tax, in particular, has been a deterrent to the growth of business and though there would be some disappointment if it were not wholly removed, cutting it in half would eliminate much of the annoyance caused by this revenue producer.

Newsprint Continues in Heavy Demand

There are no signs of let-up in the operations of pulp and paper mills. Large crews of men have been sent into the bush and the pulpwood cut will probably be the largest on record. With regard to markets for our newsprint and the possibility of overproduction, the Paper Trade Journal, the leading authority published for the paper industry in the United States, says: "Newsprint continues in heavy demand and the increased production being maintained this year is readily absorbed by the publishers. Spot supplies of newsprint are said to be decidedly scarce, and prices are steady to firm. Contract orders are being booked at a good rate and withdrawals are proceeding at a satisfactory pace." However, while illuminating, this does not say what will happen in 1927.

In contrast to the activity in the pulp and paper industry, lumber operations in Eastern Canada have been unsatisfactory and the outlook is not overly bright. Despite the large volume of orders for industrial and building purposes, prices have been low. There are several reasons for this, including heavy stocks, excessive competition, large supplies of Western lumber, and a disappointing demand from the United Kingdom. The cost of manufacturing has been too high compared with ruling prices for the finished article. The expansion of the pulp and paper trade has affected the spruce market; the necessity of large supplies for newsprint has caused the paper companies to acquire extensive limits in Eastern Canada, with the result that trees which formerly were used for saw lumber are now increasingly converted into pulpwood.

Sawmill Operations on Smaller Scale

In this connection, Claude Villiers, president of the Montreal Lumber Association, stated: "All information goes to show that the cut this season will be appreciably reduced. Many of the spruce mills will either close or manufacture on a smaller scale, while a number of the white pine mills in Ontario will be shut down because of the exhaustion of the limits or because the operations proved unprofitable. With this smaller production, it is hoped prices will improve."

An indication of the better business prevailing throughout the country, especially in the Western provinces, is seen in the list of commercial failures for the first ten months of 1926, compiled by the Bureau of Statistics. Failures totalled 1,413, a number less than in any corresponding period of the previous five years. Moreover, the same condition prevails in the individual returns of the provinces, with the exception of Manitoba and New Brunswick. In the latter province, the increase is accounted for by the unsatisfactory conditions in the coal mining regions, which have lately taken on a more prosperous appearance.

Half of New Wheat Crop Moved

Navigation on the Great Lakes closed on the 12th, with the expiration of the last extension of insurance. Although a few cargo boats will cover the route until freeze-up, the lakes are closed in so far as the grain movement is concerned. The wheat disposition in Canada up to December 10 is as follows: Delivered by farmers at country points, 253,225,000; gone into consumption, approximately 150,000,000. This leaves about 100,000,000 still in the country, and after allowing for seed, etc., 100,000,000 yet on farms to market. Canadian exports of wheat and flour during October and November were about 1,000,000 bushels a day and may be expected to run about the same figures during December. This means that on January 1, there will be about 175,000,000 to export during the balance of the crop year.

Flour milling operations are expected to be curtailed as a result of a scarcity of fresh foreign orders. British buyers are stocked up with sufficient flour to last them until January. It had been thought earlier that the ending of the British strike would be followed immediately by many new orders; but to date these hopes have not been realized. Domestic demand for flour, however, continues good. A point of importance in regard to winter milling, is the possibility that millers will not be able to get their supplies of wheat down by the lakes before navigation closes. In such an event, it would be necessary to bring their winter's wheat down by rail, which would materially add to the cost of manufacture.

Good Prices for Apples

Apple growers in British Columbia, and in Ontario and Nova Scotia to a lesser extent, anticipate receiving good returns for this year's crop. Early sales of all varieties on the British market were very satisfactory, but with the annual flooding of the market with huge uncontrolled United States supplies, prices slumped a good deal. A feature of the English market has been the unusually high price that has been maintained for Cox's Orange, the favorite apple of the people of England. So high have prices for this apple ruled organized growers of British Columbia they have received a definite assurance from the Associated Growers, Limited, their central selling agency, that the returns they will receive for Cox's Orange, will constitute a record.

BELL TELEPHONE CASE UNDECIDED FOR WEEKS YET

Little Prospect of Settlement Before About Feb. 15

Investors in Bell Telephone are hardly likely to know definitely what the future trend of earnings of the company is going to be for some months yet. Much depends now upon the outcome of the telephone rates hearing that has been the cause of a lengthy and warm fight at Ottawa between the company and representatives of the municipalities where the company operates.

The Board of Railway Commissioners has concluded its hearing of evidence. It gave the counsel for the parties interested until December 10 to file written arguments based upon the evidence submitted. These written arguments will then be interchanged among the different counsel and each will then have until December 23 to file written rebuttals of the other side's case. After December 23 the members of the board will try to find time to look over the arguments. This will not be easy. The railway rates investigation now going on takes up a great deal of time and it is doubtful if any decision will be published on the telephone case before February 15, and if the decision is not made public by then, it will not surprise many who have followed the case.

Ask $2,685,000 Revenue Increase

The new rates asked by the Bell Telephone Company represented higher rates for some subscribers and lower rates for others. The chief feature of the schedule is a grouping of cities by population. The net result of the rates, if granted, would be to increase revenues $2,685,000, on the basis of services installed and revenue earned in 1925. This is equivalent to about nine per cent. increase over all.

It is felt that the company has made out a good case, its strongest argument being the fact that it has not been earning sufficient to enable the present eight per cent. dividend to be maintained with safety, if proper reserves were to be set aside and a surplus built up to protect the shareholders in lean times. Against this contention has been set up the major argument that the company has not allowed sufficiently in its calculations for economies to be effected by the gradual introduction of the machine switching or dial system to replace the present manual switching by "hello girls." The company's rejoiner to this is that the cost of operating the two systems side by side during the period of years in which the change will be effected is such that no important economies will be felt for many years yet. Also argument has resolved around the determination of fair charges for depreciation and its allied factors, obsolescence and renewal of plant.

Bonus for Stockholders

For 1926, President C. F. Sise has already forecast the expenditure of many millions of dollars on extensions and it is also known that most of the money will be raised by the sale of new stock, rather than by the issuance of bonds. It is expected that tne present stock issue of nearly $50,000,000 will be raised to $60,000,000 before long and the stock sold to shareholders at something under the market. If it were sold at par it would represent a bonus to shareholders of between $5 and $7 a share, but it must be recalled that the company has not always made new stock issues to shareholders at par and that many issues have brought the company well over that figure.

New Brunswick's lumber cut from Crown Lands this season is estimated at 150,000,000 feet. The cut will be lighter than usual in the northern parts of the province, where smaller quantities have been contracted for.

INCOME TAX PROBLEMS

Death Saves Tax-Payer Penalty

By an Income Tax Expert

PROBLEM NO. 3.

A taxpayer died on the 30th June, 1924. During his life he failed—

(a) to pay his 1919 assessed tax,
(b) to file a return for 1922, and
(c) to estimate or pay any tax for 1923 either at the time of filing his return or within one month of being assessed.

On December 30th, 1926, the executor attends to settle the income tax liability of the deceased. He finds—

For 1919—Non-payment of tax resulting in a "penalty of 1 per cent. per month or portion thereof during which the said tax and penalty remains unpaid." Up to the date of the taxpayer's death the 1 per cent penalty had accumulated to say $80, but from the date of death to the date of attendance for settlement on December 30th, 1926, it had further accumulated $160.

For 1922—The act provides, and continues to provide even to-day, that—

"Every person failing to deliver a return . . . within the time limited therefor shall be liable to a penalty of 5 per cent. of the tax payable by such person."

The executor files the return on his attendance at the office of the inspector of taxation on the 30th December, 1926. The tax is say $1,200 and 5 per cent. thereof is $60.

For 1923—The act (as it also is to-day) stipulates for 10 per cent. interest from 30th April, 1924. The tax when calculated was $1,500. Ten per cent. from 30th April, 1924, to 30th June, 1924, (date of death) i.e. i.e. thirty months, $375.

From 30th June, 1924, to date of settlement, 30th of December, 1926, thirty months, $375.

Of these several amounts what should the executor pay, or rather what should he not pay?

Penalty and interest in the eye of the law are two very distinct things. Rules of law applicable to one are not applicable to the other. The executor should pay of the items extended to the right hand column the $25 and the $375 interest items and not the $160 and $60 penalty items. The penalty items are chargeable as against the taxpayer during his life by reason of his personal neglect or default and he having died any action arising under a penal statute such as a taxing measure, does not survive. The right to proceed against representatives of the deceased depends not on forms or modes of procedure but on the nature of the cause of action. The deceased is no longer capable of being charged with such neglect or default. The question is taken up anew by his executor or administrator who onlv has to pay the debts of the deceased taxpayer, that is "all taxes, interest or penalties assessed or imposed or ordered to be paid under the provisions of this act, which 'shall be deemed to be a debt due to His Majesty'."

The penalty arising during the taxpayer's life of one per cent. per month in respect of the 1919 period of $80. (not extended above) became, by virtue of the provision quoted, at the end of each month a debt due to the crown like all assessed tax and interest and therefore must be paid by his executors but such penalty ceases on the death of the taxpayer notwithstanding that the act provides for a penalty of 1 per cent. per month until paid. The 1 per cent. per month is a penalty not an interest charge and in this lies the distinction.

Canadian Business Indicators

Compiled weekly by The Financial Post

	1926	1925	
Car loadings, week Dec. 4	69,657	72,552—	4%
Year to date	3,025,312	2,765,312+	9%
Merchandise shipped, year, to date	792,387	739,360+	7%
Building permits—October (63 cities)	14,614,543	11,312,644+	29%
Construction contracts awarded, November	34,972,800	46,972,800—	26%
Railway Earnings—Ten Months—			
C.P.R. gross	158,709,494	144,243,276+	10%
C.P.R. net	36,579,221	29,079,949+	26%
C.N.R. gross.	217,047,034	196,444,081+	10%
C.N.R. net	34,060,792	20,485,721+	66%
Pig Iron Output—tons, October	70,124	74,013—	5%
Steel Ingot production, October tonnage	65,542	108,868	
9 months to October 31	664,084	617,137+	8%
Employment—November index	102.8	97.1	
Newsprint production—October tonnage	168,860	137,506+	22%
Automobiles produced—(10 months to October 31)	187,536	142,567+	31%
Immigration, 9 months, to September 30	112,835	67,878+	67%
Business failures—No. of firms, 9 months to Sept. 30	1,513	1,538	
Liabilities, 9 months	19,191,301	26,550,375—	27%
Imports of key commodities, 12 mos. ending October 31—			
Rubber (raw, in pounds)	46,679,016	41,660,915+	12%
Cotton (in pounds)	137,179,586	116,429,306+	17%
Crude petroleum (in gallons)	661,854,268	501,159,235+	32%
Exports of key commodities, 12 months ending October 31—			
Canned salmon, cwt.	612,053	746,970—	18%
Newsprint, cwt.	33,629,489	27,097,078+	24%
Wheat flour, bbls.	10,562,843	9,779,782+	7%
Wheat, bushels	253,138,477	187,325,992+	38%
Grain receipts, Aug. 1 to Dec. 3	200,650,340	217,799,908—	8%
Bank clearings, November	1,732,877,285	1,666,827,443+	4%
Savings deposits, Oct. (chartered banks)	1,347,564,144	1,277,588,281+	5%
Current loans, Oct. (chartered banks)	983,440,760	906,249,140+	8%
Exports, 12 months to October 31	1,293,639,169	1,198,546,389+	8%
Imports, 12 months to October 31	991,114,109	865,165,383+	14%
Balance of trade, 12 months to October 31	302,525,060	333,381,006—	9%
Price level, November index, 236 commodities	151.5	161.2	
Pig iron (Number 1 foundry) Nov.	25.80	Nov. Aver.)	26.85
Cattle—Good, Toronto, Dec. 13	6.85	Dec. (Aver.)	$7.62
Wheat, No. 1, Nor. Winnipeg, Dec. 13	1.30	Dec. (Aver.)	$1.57
Hogs—Select, Toronto, Dec. 13	10.75	Dec. (Aver.)	$13.25
Bond sales, 11 mos. to Nov. 30	548,241,995	448,577,564+	22%

International Utilities Shows Year's Income

The consolidated income account of the International Utilities Corp. and its controlled companies for the twelve months ended Sept. 30, 1926, shows gross revenue from all sources, $4,694,985; total deductions, including maintenance, local and Federal taxes, depletion, preferred dividends on operating companies and minority stock interests, were $3,072,139, leaving net earnings of $1,622,845.

From this is deducted interest and discount expense, $842,461, leaving net income $780,384. To this is added profit on investments (net after federal taxes), $439,316, making net income, on the basis of present stock ownership, before depreciation, amortization of properties and dividends, was $1,219,701; depreciation and amortization of property were $294,716, leaving a balance of $924,984.

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Duncan Suggestions Vindicate Maritime's Oft-Repeated Claims

Increased Subsidies, Lower Rail Rates and Establishment of Harbor Boards at Saint John and Halifax Recommended — Action on Steel and Coal Situation Necessary — Claims Are Vindicated

From Our Own Correspondent.

MONTREAL.—The report turned in by the Royal Commission on Maritime Rights appears to vindicate fairly completely the stand taken by the Maritime Provinces and bears out the fact that there has been much undue discrimination against the three seaboard provinces.

The Royal Commission was composed of Andrew Rae Duncan, London, chairman, Judge W. B. Wallace of Nova Scotia, and Professor Cyrus MacMillan of McGill University, Montreal. The Commission's report contains some 30,000 words based entirely on the extensive inquiries and evidence which it took in various parts of Canada.

The report states that the Commission has approached the claims and problems of the Maritime Provinces, not with a view to finding palliatives for the unrest which prevails there, but with the endeavor to apply fair correction where the claims of the Maritimes have been well founded. Practical solutions are advocated for conditions which call for remedy.

Judging from the recommendations of the report, it seems that the commission found that the Maritime Provinces were contributing more than their fair share to the upkeep of the country as a whole. Thus, it recommends increased subsidies to the three provinces. Subsidies are paid by the Federal Government to all the provincial governments in Canada and while the commission recommends the immediate payment of definite increase in the annual subsidies, it advises a final readjustment of these payments based on the various disabilities of the Maritimes. One of the handicaps, of course, under which they have labored has been that other provinces have had great territories added to their borders; these territories have contained vast natural resources. The three seaboard provinces have not been in any position to obtain such acquisitions and therefore deserve consideration.

Recommends Freight Reductions

Due, apparently, to the national fiscal policy, the Maritime Provinces have lost much of their foreign commerce; it has been recommended, therefore, that all inter-Maritime Province traffic freight rates be reduced 20 per cent. and that the same reduction apply to all traffic originating in the Maritimes and bound for western points. This will serve to increase the domestic trade of the three provinces and to increase the flow of goods from the Maritimes to the rest of the Dominion.

Another reason for the recommendation regarding freight rates lies in the fact that the three seaboard provinces entered Confederation only on the understanding that the railway connecting the provinces with the rest of Canada should not be regarded as a paying proposition, but simply as a national expenditure which would allow the Maritime trade to move east and west rather than north and south, or overseas.

Said Money Lost There

In the past, when the Maritimes have asked for a reduction of rate, it has always been pointed out that the Atlantic region of the Canadian National Railways did not make money. But the Atlantic region of the road ended at Riviere du Loup and the more westerly section of the road connecting the Maritimes with Central Canada, did not have its earnings included in the revenue account of the Atlantic region. Thus, the commission has recommended the extension of the Atlantic region Westward from Riviere du Loup to Levis. So that the more profitable section of the road will contribute earnings to the present Atlantic region.

At the present time, the passenger service between the mainland and Prince Edward Island is so slow and so over-burdened with traffic, that the delay in crossing on the ferry is such as to deter the tourist. The commission has recommended additional ferry service—an item which has long been promised the island.

Transportation in P. E. I.

P. E. I. is served partly by narrow gauge railways and the suggestion is made that a survey of transportation conditions be made and improvements effected as soon as possible.

It is satisfactory to note that the report advocates that all such measures of relief should be borne, not by the railroads, but by the Federal Government.

While the railroads have carried out many extensions and additions to the harbor facilities at both St. John and Halifax, yet, in the last anaylsis, the burden of carrying on and operating these harbors fell on the two cities. As these are national ports, the Maritimes felt that they should both be administered by federal harbor boards. This, the Duncan Commission has recommended.

Harbor Improvements Also

Along these lines, the commission recommends that the Federal Government make an immediate survey of the three chief harbors in Prince Edward Island, with the idea of improving their facilities. It is presumed that as all three provinces lost much of their sea borne traffic by Confederation, the commission felt that every effort should be made to regain some of this lost ground.

As the tariff board is now in operation, the Duncan Commission made no studv of the effect of the present tariff on the Maritimes, but recommended that immediate attention be given to the tariff on coal by the board. This is being done. Some time ago, the Federal Government inquired into the coal mining industry, at which time it was recommended that the establishment of by-product coke ovens be encouraged by means of subsidies.

Not Yet in Effect

This recommendation is still before the government and has not yet been put into effect. The Duncan Commission advises that if these recommendations be carried out, it would help the Nova Scotia coal mining situation very materially. The recommendations made regarding coal mining were probably based partly on the fact that on an ad valorem basis, the duty on coal since Confederation has steadily declined and the N. S. operators now receive little protection as compared with even ten or twenty years ago, let alone the protection afforded them at the date of Confederation.

Many Central Canadian manufacturers obtain a drawback on the raw steel which they import. At Nova Scotia is the only point in the Dominion where it is possible to make steel from all British raw materials, the Commission feels that, if any industry deserves encouragement, the steel industry in Nova Scotia does, and that a bonus should be given on steel when it is made from Canadian coal. The size of such a subsidy to be calculated on the basis of the drawbacks allowed to those who import their steel from the United States.

Post Uncorked Duncan Report During October

On October 22, seven weeks before the government published the report of the Duncan Commission, The Financial Post obtained the news of the contents of the report for its readers. The article aroused much interest across Canada at that time. Here is the way The Post summarized the findings just eight weeks ago; they correspond in every particular with the report which has just been make public:

Increase Maritime subsidies at once with interim payments of $875,000 to Nova Scotia; $600,000 to New Brunswick and $125,000 to Prince Edward Island.

Reduce Maritime freight rates 20 per cent. and charge difference to the government.

Extend Atlantic region to Levis or Diamond Junction.

Increase boat service to P. E. I. and charge the government with the additional cost.

Establishment of federal harbor boards at St. John and Halifax.

Establishment of coking plants.

Further thought to be given to the acquisition by the Dominion of the provincially owned railways.

To Favour N. S. Coals

It is also recommended that the Government give its early consideration in renewing the 1924 subvention in favour of Nova Scotia coals which allowed them to move westward at lower rates.

In the past, the Maritime Provinces have paid their share of the Federal Government's immigration efforts, yet the tide of immigration has entirely passed by the Maritimes. Thus, the report advocates closer cooperation between the Maritime and Federal authorities, with a view to bringing more immigrants to the three provinces.

In the Maritimes, it is generally stated that the Dominion Government promised to acquire the Saint John and Quebec railway and that this promise has never been fulfilled. It is a burden on the Maritimes and the Commission recommends further investigation regarding these alleged promises.

In view of the importance of the fishing industry, it has long been felt in the Maritimes that this industry should be headed by a Deputy Minister of the Crown. This has been recommended.

Learn of Resources

Due to the financial positions of New Brunswick and Prince Edward Island, it has never been possible to ascertain definitely the natural resources of these provinces and the Commission recommends that the Federal Government undertake a detailed survey of both provinces in order to ascertain the resources which are capable of further development. Principally, these would include mineral resources.

Negotiations should be instituted, says the report, to consider the acquisition by the Dominion of the Kent Northern Railway. The latter is another road which bears heavily on the province of New Brunswick.

The Commission found, in comparing freight rates of 1920 and 1912, with the present rate, that increase on the Intercolonial rate amounted to 92 per cent., that is, their 100 has become 192. The estimated average increase of the rate in the rest of Canada is 55 per cent. That is their 100 has become 155. Thus, a reduction of 20 per cent. to the Maritimes is in reality no special concession but simply places these provinces on a par with the remainder of the Dominion.

Railway Too Long

Reference is also made to the fact that the Intercolonial Railway is at least 250 miles longer than would have been necessary if commercial, rather than strategic conditions had prevailed. The rate prior to 1912 allowed for this, but in the meantime, this rate basis has apparently been abandoned.

The Commission records the opinion expressed by New Brunswick witnesses that a trade treaty with the United States covering forest products would greatly benefit the industry there. The Commission was asked to recommend the negotiation of a mutual trade treaty to secure the free entry into the United States of paper other than newsprint.

The Commission records also the opinion expressed by fishermen and dealers, that an effort should be made to secure a treaty giving fresh fish free entry into the American market, and removing or lowering

(Continued on page 29)

Duncan Recommends:

1. Increased annual grants to provinces. Interim annual payments of $875,000 to Nova Scotia, $600,000 to New Brunswick and $125,000 to Prince Edward Island to be paid until such time as a final readjustment of the subsidies has been worked out to compensate the three provinces for the various disabilities, such as territorial limitations, which have not handicapped the other provinces under Confederation.
2. An immediate reduction of 20 per cent. on all freight rates in the Atlantic division. Such a reduction to apply on all through traffic originating in the Maritimes and destined for other Canadian points with the exception of import sea traffic. No reduction advocated on traffic flowing into the Maritimes.
3. That the Atlantic region of the C.N.R. should be extended westward from Riviere du Loup and Monk to Levis and Diamond Junction.
4. Additional ferry service between Prince Edward Island and the mainland.
5. A survey of transportation conditions in Prince Edward Island and improvements to be carried out as soon as possible.
6. The cost of the foregoing relief to be borne by the Federal Government and not by the railways.
7. The establishment of federal harbor commissions at the ports of Halifax and Saint John.
8. That the Public Works Department make an immediate survey of three chief harbors of Prince Edward Island with a view to increasing such accommodation and bringing it in line with the needs of the province.
9. That the Tariff Board give its immediate attention to coal tariffs (this is now being done) and that the recommendations of the Royal Commission on coal mining, regarding the federal aid to be given to by-product coke ovens, if put into effect, would materially help the situation.
10. A bonus on steel when made from Canadian coal. Such a bonus to be calculated on the basis of the present drawback allowed on imported steel.
11. That the government give early consideration to the advisability of renewing the 1924 subvention in favor of Nova Scotia coals.
12. The closer co-operation between Maritime and federal authorities in immigration efforts.
13. Further investigation regarding the alleged promise of the Dominion to acquire the Saint John and Quebec Railway.
14. The appointment of a deputy minister to be in entire charge of fishery matters.
15. That the Federal Government undertake a detailed survey of New Brunswick and Prince Edward Island to ascertain more definitely the natural resources of these provinces.
16. The immediate publication of a Bureau of Statistics memorandum regarding the social and economic progress of the Maritimes since Confederation.

The accompanying review of the Duncan report was prepared by Rielle Thomson, Eastern Editor of The Financial Post, who recently made a tour of every corner of the Maritime Provinces ,and writes with a sympathetic understanding of Maritime province problems.

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Securities Markets

CANADIAN BULL MARKET IS BASED ON GOOD TIMES

Liquor Stocks, Smelters, Continue to Lead Movement on Exchanges

MARKET INDICATOR

20 Industrial Stocks	High	Low
Week of Dec. 15	97.3	93.7
Week of Dec. 8	97.3	94.4
Month of Dec. 1925	80.8	73.3
9 Bank Stocks		
Week of Dec. 15	$229	$226
Week of Dec. 8	227	224
Month of Dec., 1925	223	222
10 Public Utilities		
Week of Dec. 15	101	98
Week of Dec. 8	100	99
Month of Dec., 1925	94	90

While bears in Wall Street keep maneouvring for a strategic point of attack on the bull market, which carries on more or less oblivious to its detractors, the Canadian markets continue their upward swing with unabated enthusiasm. One of the most astute of Canadian brokers contends that the explanation is simply that Canada is inherently and potentially more prosperous than the United States. The best known of the business statisticians has been pointing out for two or three years that Canada is due for a period of expansion and prosperity in greater degree, proportionately, than the United States. This man shows it by his slotted curves. The United States has taken its doses of medicinal deflation sparingly and erratically. In Canada, we have wallowed in it since the first post-war slump. When the curve has been a long time below the line of normalcy, it must ascend and remain above that line for an equal period.

Potential Canadian prosperity explains the Canadian bull market. And as the stock market usually is ahead of industry, either on its ups and downs, security prices in general are likely to continue somewhat in advance of earnings. Earnings have been good and are getting steadily better.

Lower Taxes Help

Helping along the bull market in the last two weeks have been the assurances from Ottawa that the government, with Robb as minister of finance, will take a further step in reducing Dominion taxation. It several times has proven in the United States that tax reduction brings prosperity in its wake and the record of Dominion revenue shows that the same will be true in Canada if industry is given half a chance. The revisions instituted by the Robb budget last spring were in the nature of a snare and a delusion to recipients of income from industrial sources, but these have been offset in large part by the enhanced prosperity to the country and to industry which tax reductions helped to bring.

Thirty-one industrial common stocks reached a new high of 214.3 in November, based on the 1913 figure of 100 public utilities rose from 90.4 in October to 91.4 in November. Preferred stocks and bonds also increased in market value.

In the last week, market interest continued to centre around Smelters, British-American Oil, Industrial Alchol and Gooderham & Worts. The hoped-tor split in Smelters was not forthcoming, but the shareholders get an extra $5 the share, making $10 for the year, a rise from $6.50. B. A. Oil has touched a new high as the result of predictions of a $1 dividend rate on the new shares, four of which are to be issued for one of the old. Industrial Alcohol has been rising on the strength of continued rumors of the taking over of the Hiram Walker distillery. This has been construed as the explanation of the increase in the capital stock, although there later have been reports that a separate Davis Company is to operate that distillery. Canadian Canners is the leading interest in the food stocks, with reports in circulation that an important brokerage group is about to form a pool.

Bearish sentiment has been confined to Mackay, the earnings of which may be affected adversely by the new Marconi beam, and to the paper group headed by Laurentide. The stock market is unable to determine whether or not the pulp and paper industry has reached the stage of over-production, although consumption of newsprint continues to grow despite the fact that there are materially fewer newspapers than a decade ago, when there were at times very serious shortages of newsprint.

WEEK'S GAINS AND LOSSES

	Gains	Losses	Unch.	Total
Banks	5	.	4	9
Paper	5	8	2	15
Steel	11	5	17	33
Foodstuffs	12	9	20	41
Utilities	6	10	11	27
Tractions	4	2	9	15
Textiles	2	5	8	15
Industrials	20	11	20	51
Total	65	50	91	206

'Peg Electric Subsidiary Improves Parent's Position

From Our Own Correspondent.

MONTREAL.—The common shares of the Winnipeg Electric Company have showed decided strength of late, due in part to the steady increase both in gross and net earnings seen in the monthly statement of the company, and in part to the spectacular jump of the shares of the company's subsidiary, the Manitoba Power. During the past week, the latter jumped 8 points in one day. Apparently, U. S. interests figure a bright future for the subsidiary, for the buying is said to have originated in Boston.

The recent customer ownership campaign of the Winnipeg Electric Company indicates that the latter is on excellent terms with its customers, for the company offered $500,000 of preferred stock to its customers, and this amount was three times over-subscribed.

The courts also quashed the recent application which was intended to prevent the company from selling a large block of power to the city's electric system. This is another factor which has contributed to the strength in the shares.

Hospital Bonds Sold

MONTREAL.—A public offering of $210,000, 5½ per cent., serial first mortgage and collateral trust bonds of the Women's General Hospital of Montreal is being made by Credit Anglo-Francais. The land and buildings covered by the mortgage are valued at $500,000, and there is a guarantee by subsidy of $100,000 by the province of Quebec, payable by annuity to the trustees for the bondholders over a period covering the life of the issue.

Mount Royal Plan Through

MONTREAL.—The shareholders of the Mount Royal Hotel Company meet next week to pass on the offer which the management has made leading to the cleaning up of the arrears of preferred dividends. It is understood that the management already has sufficient proxies from preferred shareholders to carry the capital reorganization through, but it is believed that the final vote at the meeting will show that practically all the preferred shareholders were in favor of the reconstruction.

ANOTHER RAYON MILL?

MONTREAL.—It is rumored that a large mill for the manufacture of rayon silk is to be erected in the vicinity of the paper mill which the International Paper Company has under construction at Templeton, Quebec. No details regarding the extent of the project, or the amount of capital involved are available, but it is understood that the shareholders of the International Paper Company may be interested in the new plant.

Public Utility Earnings

Jamaica Public Service

October	1926	1925
Gross Earn.	$ 54,791	$ 54,011
Net Earn.	23,739	22,505
Surp. after charges	17,573	16,196
12 Months Ending October 31—	1926	1925
Gross Earn.	$647,244	$613,485
Net Earn.	254,256	220,444
Surp. after charges	179,344	140,529

Northern Mexico Power

October	1925	1926	Increase	%
Gross	99,333	118,586	19,253	19.38
Net	80,157	95,002	14,845	18.52
Ten Months				
Gross	847,282	1,065,133	217,850	25.71
Net	655,736	855,168	199,432	30.41

DOMINION GLASS SURPLUS EARNED; OUTLOOK BETTER

Balance, After All Charges and Preferred Dividends Equals 7.28% on Stock

From Our Own Correspondent

MONTREAL.—The results achieved by the Dominion Glass Company for the fiscal year ending December 30, 1926, were about in line with what was generally anticipated. During the past year, after payment of all charges and dividends, there remained a surplus of $12,086 as compared with a deficit last year of $42,483. Thus, the earnings were more than sufficient to take care of the common dividend requirements.

The working capital position of the company is little changed from last year. The following figures compare the income account and working capital position at the close of the last three fiscal years:

	1926	1925	1924
Profits	$ 661,586	$ 607,037	$ 753,369
Bond interest	170,000	170,000	170,000
Net	$ 491,586	$ 437,037	$ 583,369
Pfd. divs.	182,000	182,000	182,000
Balance	$ 309,586	$ 255,037	$ 401,369
Com. divs.	297,500	297,500	297,500
Surplus	$12,086	*$42,463	$ 103,869
Prev. surp.	1,066,255	1,108,718	1,004,848
P. & L. bal.	$1,078,342	$1,066,255	$1,108,717
P.C. on com.	7.28	6.00	9.44

*—Deficit.

The Working Capital

	1926	1925	1924
Curr. assets	$3,040,727	$3,118,881	$3,259,622
Curr. liabs.	560,981	586,995	703,612
Work. cap.	$2,497,746	$2,531,886	$2,556,010

Changes in Balance Sheet

The changes in the current assets and current liabilities in the balance sheet, were of a fractional nature only. But the total assets of the company have been reduced by about $760,000. The explanation of the reduction is found in property account, which is lower by some $100,000, and in the patent and goodwill account, which is shown as $3,156,920, nearly $500,000 lower than last year.

This reduction in the assets has been achieved through the elimination of the sinking fund reserve which, at the close of the preceding fiscal year, stood at $876,439.

The President's Remarks

Although the president, Sir Charles Gordon, in his remarks to the shareholders, does not mention the better demand for its output which the company should experience in Ontario, yet he seems to be optimistically inclined and says in part:

"The directors are unable to regard the margin of profit as satisfactory, but see no reason why, with the economies which they hope to effect and the maintenance of the present volume, these results should not be improved upon.

"Particular efforts are being made to cope with the problems which have arisen in the past few years due to increased calls for variety in manufacturing and a feeling of uncertainty as to demand. These problems, although common to many Canadian manufacturers, have been found to be extremely onerous in the making of glassware.

"In former years the balance sheet has shown a reserve representing the bonds redeemed and cancelled under the provisions of the Trust deed and accrued for that purpose to the end of the company's fiscal year. As the continuance of this reserve, appropriated from earnings and amounting to $978,581 at 30th September last, as a separate item is deemed unnecessary, it has been decided to allocate the amount to property and depreciation accounts and to the writing of a further substantial sum off patent rights, trade marks and goodwill.

"All the directors retire from office. Mr. A. H. Grier, Hon. Lionel Guest, Mr. H. D. Herdt and Sir William Wiseman do not seek re-election. The other members of the board are eligible for reelection."

DOMINION BRIDGE REPORT OUT SOON

May Not Show Earnings From Montreal Bridge Until Structure is Completed

From Our Own Correspondent.

MONTREAL.—The annual report of the Dominion Bridge Company for the year ending October 31 will make its appearance very shortly, when it is thought that the gross profits will show a satisfactory recovery from the low level established during the 1925 year.

It is said that the company will not show any profit from the big Montreal South Shore bridge contract until the project has been completed and has been accepted by the Montreal Harbour Commission. The reason for this is that the company would not show any earnings from an uncompleted job, which seems a sound stand to take, as there might perchance be some losses incurred in erecting other portions of the bridge next year, or the year following. If the profits on the new bridge be not deducted, there would be no danger of paying out funds which might be required at a later date to make certain re-adjustments in the structure.

Has Further Good Contracts

Although most of the steel required in the Gatineau river projects has been delivered, yet there are other developments under way which will eat up a considerable amount of structural steel during the coming year. These include such developments as those taking place on the Saguenay and the Royal Bank's new structure in Montreal.

It seems to be generally admitted that an increase in the dividends of the Dominion Bridge Company from 4 to 6 per cent. in the near future is a foregone conclusion. The price at which the stock changes hands has already discounted this development. It is said that the earnings of the company for the past fiscal year may not be as large as has been anticipated by many, as the company has absorbed some heavy losses on past contracts. In any event, the outlook is decidedly bright. It is understood that the contract for the steel work of the new Royal Bank building in Montreal amounts to some $850,000.

Christmas tree shipments from Quebec to the United States ran to 450,000 over Canadian Pacific lines last year, and present expectation is that this number will be equalled at least this year. Revenue to farmers of the province from this source ran to $100,000 last year.

Business Men Protest Against Turnover Tax

From Our Own Correspondent

VANCOUVER. — The Vancouver Board of Trade has condemned, as inequitable and ultra vires, the provincial government's proposed turnover tax, which was to take the place of the personal property tax. The question was recently discussed by the board after C. B. Peterson, of the department of finance, had presented the chief features of the bill before Vancouver business men.

Pacific Burt Plans New Preferred Issue

The Pacific Burt Company will early next year make an offering of additional preferred stock to preferred and common shareholders, at $100 per share, on the basis of one new share for each five shares held. The letter signed by the president, S. J. Moore, says:

"Since this company was formed in 1915 the business has increased more than four-fold, while the amount of the capital stock has remained unchanged. The extra capital required to take care of this growth has come from surplus earnings and through the issue in 1922 of $350,000 fifteen-year bonds, which are being retired annually in accordance with the provisions of the sinking fund. The continued expansion of the business now makes it desirable to arrange for additional permanent capital.

"More machinery must be provided, and it is necessary to also build a new factory in Los Angeles. Up to the present the Los Angeles plant has occupied rented premises which for some time have been inadequate. The growth of the business at this point makes it imperative that larger premises more suited to our requirements should be secured. After a thorough study of the situation, we recently purchased a desirable piece of land and are preparing to construct a modern factory building to be ready for occupancy in the early summer.

"In order to provide the capital necessary for these purposes, the directors recommend that an increase be made in the capital stock of the company. They have adopted and asked the shareholders to approve by-law No. 10, increasing the capital of the company from $645,800 convertible preference stock and $654,200 common stock at present authorized and issued, to $1,000,000 convertible preference stock and $1,000,000 common stock authorized.

"If this recommendation is approved by the shareholders at the special meeting called for the purpose on December 29th, the directors propose early in January to offer to the shareholders the rights to purchase $250,000 of new convertible preference stock at the price of $100 per share. Each holder of preference or common stock will be given the right to subscribe for one share of new preference stock for each five shares or fraction thereof of stock held on the company's books.

Winnipeg Business Men Ask Tax Changes

The financial section of the Winnipeg Board of Trade has been considering five proposed amendments to the Federal Income Tax which are designed to ease the tax burden on firms and corporations. The text of the recommendations is as follows:

1. That whereas stock dividends do not actually increase the income of shareholders but merely subdivide their interests in a corporation, the government be requested to defer tax collection on stock dividends until such stock be realized upon by the holder.

2. Whereas the new amendment to the Income Tax Act imposes a tax on dividends which income has already been taxed in the hands of the corporation earning same, and whereas double taxation of income is considered to be inequitable, the government be petitioned to either cancel the tax on earnings of corporations leaving the same to be taxed only in the hands of the shareholders, or alternatively to allow a abatement of tax in the hands of such shareholders to an amount equal to that paid by the company.

3. That whereas donations given by a firm or corporation are not allowable as an expense of such firm or corporation, and whereas a large percentage of donations are given either for advertising purposes or for reasons incidental to the business, and whereas the allowance of such donations as expenses would tend to increase charitable funds in need of assistance, the government be requested to allow donations as an expense of a business either in total or to the extent of a certain percentage of the remainder of the expenses of such business.

4. That whereas the new amendment to the Income Tax Act provides that in the case of separate incomes of husbands and wives, the normal exemption of $3,000 be equally divided should the wives' income exceed $1,500 per annum, the government be requested to make it optional with the taxpayer as to which income the exemption be applied against.

5. That whereas a business through unusual conditions may make a considerable profit in one year whereas previous and subsequent year show a loss, the government be requested to adopt the English system of taking the average income for three years.

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THE NATION'S BUSINESS

(Continued from page 1)

Coolidge last week. Addressing Congress, he said:

"Our present state of prosperity has been greatly promoted by three important causes, one of which is economy, resulting in reduction and reform in national taxation. Another is the elimination of many kinds of waste. The third is a general raising of the standards of efficiency. This combination has brought the perfectly astonishing result of a reduction in the index price of commodities and an increase in the index rate of wages. We have secured a lowering of the cost to produce and a raising of the ability to consume. Prosperity resulting from these causes rests on the securest of all foundations. It gathers strength from its own progress.

"In promoting this progress, the chief part which the national government plays lies in the field of economy. Whatever doubts may have been entertained as to the necessity of this policy and the beneficial results which would accrue from it to all the people of the nation, its wisdom must now be considered thoroughly demonstrated. It may not have appeared to be a novel or perhaps brilliant conception, but it has turned out to be pre-eminently sound. It has not failed to work. It has surely brought results. It does not have to be excused as a temporary expedient adopted as the lesser evil to remedy some abuse; it is not a palliative seeking to treat symptoms, but a major operation for the eradication at the source of a large number of social diseases.

"Nothing is easier than the expenditure of public money. It does not appear to belong to anybody. The temptation is overwhelming to bestow it on somebody. But the results of extravagance are ruinous. The property of the country, like the freedom of the country, belongs to the people of the country. They have not empowered their government to take a dollar of it except for a necessary public purpose. But if the constitution conferred such a right, sound economics would forbid it. Nothing is more destructive of the progress of the nation than government extravagance. It means an increase in the burden of taxation, dissipation of the returns from enterprise, a decrease in the real value of wages, with ultimate stagnation and decay. The whole theory of our institutions is based on the liberty and independence of the individual. He is dependent on himself for support and, therefore, entitled to the rewards of his own industry. He is not to be deprived of what he earns that others may be benefited by what they do not earn. What he saves through his private effort is not to be wasted by government extravagance."

Secretary of Treasury Andrew Mellen, in his annual report also shows how tax reductions in the United States have helped business:

"In the span of a little more than five years there have been three substantial reductions in taxes. The direct result of this has been that the people have been permitted to retain more of their own earnings for their own use and productive investment. And from this, and probably to a greater extent than from any other cause, has come the great prosperity which now exists in almost all lines in this country."

* * *

HON. HUGH GUTHRIE'S remarks in parliament on the Imperial Conference indicate that he too has failed to grasp the importance and significance of such questions as immigration and imperial trade. He seems to consider autonomy for Canada the most important thing in Imperial relations to-day. He, like King, has failed to realize the importance of the Empire's economic problems.

The history of Imperial Conferences from 1887 on, shows that both Liberal and Conservative prime ministers have stressed this question of complete autonomy for Canada. Sir John Macdonald and Sir Wilfrid Laurier emphasized it. Sir Robert Borden carried the matter to a definite conclusion at the Peace Conference at Versailles where, for the first time, Canada signed documents as a separate nation. It was Sir Robert Borden who initiated and put through parliament the law giving Canada the right to have her own representative at Washington. There may be some details in connection with the present arrangement which are dangerous and which require attention, but on the main policy all parties have been agreed for years. Business men wonder "what all this shouting is about?" They are chiefly concerned with the failure to deal in a big way with immigration and Imperial trade. A big forward policy on these two questions would do a great deal towards bringing to us a larger measure of prosperity.

If Mr. Guthrie would consult the industrial and farm leaders in his own constituency, he would learn how little thought is now given to these legal niceties, and how much to the big, serious, practical problems of markets and settlers. He is simply playing Mr. King's game.

While we are busy discussing theories our great competitors in Europe—Germany, France, Russia—are working feverishly night and day to grow their own grain at home and fill the British and U. S. markets with Siberian wheat grown under German control.

Abitibi Now Yields About 5.50 Per Cent. to Investor

Abitibi's dividend jump from 4 to 5 per cent. increases the yield on the stock from under 5 per cent. to about 5½ per cent. This is still a small yield for an industrial stock, indicating the belief of investors that the dividend will not long remain at the 5 per cent. rate.

With the company earning nearly three times its common dividend in 1925, and with very substantial improvement in financial position, with reports of constantly growing operating economies, and increased output through greater efficiency in operation, it was very generally accepted that the board at this meeting might easily declare a five or even a six per cent. dividend.

Abitibi, after passing its dividend in June, 1921, resumed distribution on the common shares in September, 1922. On the latter date a $1 quarterly dividend was declared, and the stock has remained on that basis ever since. In the meantime the company has been increasing its earning capacity and effecting great improvements in its working capital position.

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GOOD YEAR, BUT PORT HOPE MELON IS NOT PROBABLE

Directors Believe in Putting Bulk of Earnings Into Business

Port Hope Sanitary common, in which there was quite a flurry in the Toronto stock exchange three weeks ago, is still firm at around 120. This is a high price for a 6 per cent. stock, but the holders or buyers at these figures may be calculating on appreciation of values in a long haul.

The fact is that Port Hope Sanitary is doing very well, but no dividend increase or stock split is in prospect. Its net in its fiscal year ended last January 31, was the equivalent of $70.23 per share on the preferred and $21.04 on the common, as compared with $46.60 and $13.43, respectively, the year previously. These earnings are being maintained, it is said, although they may not appear in the balance sheet without close analysis.

Ploughing in Earnings

The company is following the conservative policy of ploughing earnings back into plant and equipment. The works at Port Hope are being extensively improved by remodelling and rebuilding. This year, however, there will appear no item for writing off good-will, as last year's balance sheet showed $99,999 under this head, leaving the asset valued at $1.

Directors of the company are said to feel that, in view of the competitive conditions facing this Canadian company, the earnings are not excessive and the reserves being created and the excellent conditions of the plant are essential for stabilization under all circumstances. Its competitors in the manufacture of enamelware are for the most part subsidiaries of large United States companies and in the creation of new lines and in manufacture, the Canadian off-shoots have the advantage of wealthy parent companies which bear the brunt of the expense of experiment and of patterns and of advertising.

Enamel products such as are manufactured by Port Hope Sanitary are marketed in Canada at prices about 15 per cent. below the price of imported goods with the duty added. In other words, the domestic manufacturers are not taking full advantage of the tariff. This should be helpful in building good-will for the made-in-Canada goods.

Prophets Say Asbestos Will Earn $1.50 a Share

From Our Own Correspondent.

MONTREAL.—Many forecasts of the earnings of the Asbestos Corporation are being made. Some estimates indicate that the company will earn $3 on the common stock for the year ending December 31 next. Well informed prophets, however, say that the earnings should be about $1.50 on each common share of stock outstanding.

If the latter be approximately correct, this should prove fairly satisfactory to the shareholders, for the current fiscal year will include only 11 months of operation and, at the time of the merger, many of the component companies had contracts to fill at prices which were lower than the prices for asbestos which have prevailed subsequently. Prior to the merger, also, many buyers of raw asbestos stocked up in order to avoid the anticipated increase in the price level.

The common stock of the company is now held by 1,200 odd shareholders. There are 40,000 shares in brokers' names, 10,000 of which, it is understood, are earmarked. About half the common stock is held by six firms who have signified their confidence in the future of the Canadian asbestos industry by investing heavily in the junior securities of the corporation. Some of these holders have been long identified with the industry and are fully acquainted with everything pertaining to it. The preferred stock is held by 1,100 shareholders.

Stock Market Record

WEEK ENDING DECEMBER 14

	Div. Rate	Yield Dec. 13	High for wk.	Low for wk.	Close Dec. 13	Close Dec. 6	Sales for wk.	Range, 1926 High	Low
Banks—									
Commerce	12+1	5.87	222	220½	222	221	218	227	214
Dominion	12+1	6.09	213	213	213	213	102	219	207
Can. Nationale	10	6.30	158½	158	158½	157½	18	170	157
Imperial	12+1	6.15	212	211¼	211½	211¼	185	215½	200
Montreal	12+2	5.12	273	271	272	272	188	275	251
Nova Scotia	16	5.32	300	292	300	290	37	300	281
Royal	12+2	5.18	270	260	260	260	131	270	248
Standard	12	6.25	192	190	192	191	77	200	189½
Toronto	12	5.42	221	220	220	220	205	223	213
Paper—									
Abitibi, com. (no par)	5	5.49	89	85½	88½	89	3706	98	70¼
Do. pref.	7	6.11	..	...	...	...	...	116	106¾
Belgo-Can., pref.	7	6.98	100½	100¼	100½	100¼	439	102½	95¾
Brompton (no par)	.	...	38	35½	35¾	38¼	3600	38¾	26
Laurentide	6	5.33	114½	109⅜	113¾	109¾	13739	114¾	81½
Price Bros., com.	2	3.17	63	61	63	66	55	76¾	57
Do. pref.	6½	6.31	103	102½	103	103	226	103½	95
Prov. Paper com.	6+1	6.08	115	114	115	114¾	125	115	100
Do. pref.	7	6.54	107	107	107	106½	43	107	100
Smith, Howard, com.	.	...	62	60⅞	62	61¾	240	67	38
Do. pref.	8	7.69	104½	104	104½	105½	125	105½	92¾
Span. River, com.	7	6.86	103¾	101½	101¾	104	2375	114¾	96½
Do. pref.	7	6.12	114⅝	113¼	114	115½	459	120	108
Wayagamack	.	...	111	111	111	113	50	118¼	56
Do., new (no par)	75c	...	56	52	54	56	1505	59½	52
Steel and Steel Industries—									
B.E. Steel, com.	.	...	¾	¼	¾	½	148	3½	¼
Do. 1st pref.	.	...	20	17	19¼	20	245	30	9
Do. 2nd pref.	.	...	3	2	2¾	3	3098	10¾	1
Can. Car & Found., com.	.	...	39⅞	36	39	36¼	1415	49	33
Do. pref.	7	8.33	85½	83½	85½	84½	1064	88	73
Can. Fairbanks, pref.	.	...	..	...	...	...	...	60	60
Can. Forgings, com.	.	...	..	...	...	...	...	17	8
Do. pref.	.	...	65	65	65	65	125	65	41½
C.G.E., com. (par $50)	.	...	..	...	...	...	...	53	47
Do. pref. (par $50)	7	6.03	58	57⅝	58	58	275	60	53½
Can. Locomotive, com.	.	...	..	...	...	...	...	42	35
Do. pref.	7	8.09	86½	86½	86½	86	10	89½	73
Canada Iron, com.	.	...	10	10	10	10	1	10	9
Do. pref.	.	...	42	42	42	40	1	42½	39
Dominion Coal	.	...	71½	70	70½	70	271	72½	40
Dominion Iron, pref.	.	...	5	5	5	5	10	24¾	5
Dominion Bridge	4	3.50	115⅝	112	113½	111¼	2721	115⅝	80
Dom. Radiator, pref.	7	6.86	..	...	...	...	...	103½	100¼
Dom. Steel Corp., pref.	.	...	22	20	22	20	50	26	10⅝
Gould Pumps, pref.	7	6.98	..	...	...	...	...	100¼	100¼
Ford Motor	10	...	..	...	...	...	...	622	500
McKin. Ind., c. (no par)	.	...	21	21	21	22	25	31½	15
Do. pref.	7	7.36	95	95	95	96	19	97½	87
Do., Voting Trust	.	...	20¾	20¾	20¾	20	25	30¾	19⅞
Massey-Harris, com.	.	...	68¾	67½	68½	68½	871	73	40
Do. pref.	7	6.79	103	102½	103	102½	40	103	93
N.S. Steel, pref.	.	...	..	...	...	...	...	25	20
Ontario Steel, com.	4+1	6.80	73½	73½	73½	74	30	78½	60
Do. pref.	7	7.00	..	...	...	...	...	103	98
Russell Motor, com.	3	...	50	50	50	50	5	50	39
Do. pref.	7	7.60	92	92	92	92	25	93	76
Sawyer-Massey, pref.	.	...	..	...	...	...	...	13	5
Steel of Canada, com.	7	6.11	115½	114	115	115	455	117	95⅛
Do. pref.	7	5.64	124	122	124	121	168	124	114
Milling and Foodstuffs—									
Arnolds, com. (no par)	.	...	20	20	20	20	210	26⅝	18
Do. pref.	7	8.35	83¾	83¾	83¾	83	35	92	83
Atlantic Sugar, com.	.	...	31	28	31	28⅝	9546	32⅞	21½
Do. pref.	.	...	93	87½	92¼	87	1010	93	75
B.C. Fishing	5	5.14	98½	96½	97½	98¾	2010	100	57¼
Can. Bread, com. (no par)	$2.50	2.80	90	90	90	89	5	95	53
Do. pref. (A)	7	6.27	..	...	...	...	...	112	105
Do. pref. (B)	7	6.60	106	105	105	106	68	107	96¼
Can. Canners, com.	.	...	15	13	15	14½	502	15	12
Do. pref.	4	5.51	73	72	73	73	972	73¾	60
Canadian Salt	8	6.29	..	...	...	...	...	145	125
Christie Brown (no par)	.	...	..	...	...	...	...	63½	31
Can. Bak., c. (no par)	.	...	35	34½	34½	34	17	37¾	26¼
Do. pref.	7	7.00	100	100	100	100	73	100	92
City Dairy, c. (par $25)	12+1	3.92	83½	82	83	83	1806	85	65½
Do. pref.	7	6.19	116	116	116	113	2	116	107
Cuban Can. Sugar, com.	.	...	6	5	6	5	505	6	3
Do. pref.	.	...	37	35	35	32½	117	37	21
Dom. Stores, c. (no par)	$2.40	3.53	69½	67½	68	68	665	70¼	56
Wm. Davies (A) (no par)	.	...	32¾	32¾	32¾	33	20	37¼	27½
Do. (B) (no par)	.	...	..	...	...	...	...	12	10
Inter. Milling, pref.	7	6.73	104	104	104	104	91	106	98½
Lake of Woods, com.	12	7.50	160	160	160	159	100	175	139
Do. pref.	7	6.03	116½	116	116	116½	22	118	115
Loblaw, com.	$1.00	2.38	42½	42	42	43	150	55	29¾
Do. pref.	7	6.66	..	...	...	...	...	105	100½
Maple Leaf Mill, com.	.	....	..	...	...	...	...	88	50⅛
Do. pref.	7	7.00	100	99	100	99	80	102	90
Ogilvie Flour, com.	5+5	4.97	200	200	200	201	76	201	165½
Do. pref.	7	5.73	..	...	...	...	...	125	117
Pure Gold Mfg. (no par)	50c	...	20	20	20	20½	120	23½	17½
Shred. Wh., c. (no par)	75c	5.35	57½	56	56	57⅞	232	59	47½
St. Law. Flour, com.	.	...	..	...	...	...	...	45	26
Do. pref.	7	8.80	79½	79¼	79¼	79½	85	84	79¼
Viau Biscuits, com.	.	...	..	...	...	...	...	28	18
Do. pref.	7	8.04	..	...	...	...	...	89	85
Western Groc., c. (new)	.	....	26	26	26	26	50	34½	24
Do. pref. (new)	7	9.09	78	75	77	75	77	80	62
Do. com. (old)	.	...	..	...	...	...	...	13¼	3¾
West. Can. Fl, c. (no par)	35c	5.82	..	...	...	...	...	25	18
Do. pref.	6½	6.50	100	99¾	100	100½	43	100½	97¾
Utilities—									
Bell Telephone	8	5.71	140¼	139⅛	140	139	554	141	136
Calgary Power	.	...	..	...	...	...	...	52½	50⅞
Consumers Gas	10	5.76	174	173	173½	171	127	183⅞	170
Inter. Util. (A) (no par)	87½	...	..	...	...	...	...	38½	29½
Cedar Rapids	.	...	..	...	...	...	...	50	40
East Koot. Power	.	...	..	...	...	...	...	33	25
Jamaica Pub. Ser., pref.	7	7.14	98	98	98	98	63	99¼	96
Laurentide Power	5	4.16	120	120	120	120	75	130	100
Mackay, com.	7	5.55	126¾	125	126¾	126	198	138½	121¼
Do. pref.	4	5.63	71	68¾	71	71	317	73½	68¾
Mexican Light, com.	.	...	30	30	30	33	25	33	29
Do. pref.	.	...	..	...	...	...	...	86	64
Mont. L. H. & Po., com.	2	2.96	71⅜	67¾	70	71⅛	10996	75	59
Do. pref.	.	...	..	...	...	...	...	50½	48½
Mont. Teleg. (par $40)	8	6.29	51	51	51	50	5	51½	47
Ottawa L. H. & Pr., com.	6	6.00	..	...	...	...	...	100	92
Do. pref.	6½	6.31	103	103	103	103	10	105½	100
Ottawa & Hull Pr., com.	.	...	28	28	28	28	100	30¾	25
Quebec Power, com.	6	3.20	192	183	192	190	1638	200	118
Do. pref.	7	3.75	190	184½	188½	190	1024	200	109½
Shawinigan	8	2.98	271	266½	267½	271½	1492	275½	167½
South. Can. Pr., com.	2	2.24	91	88¾	89	91	256	98	81
Do. pref.	6	5.88	102¼	101½	102	102⅛	54	104½	99
Transportation—									
Can. Pacific Rly.	10	6.07	164½	163½	164½	164	123	169	147
Can. Steamships, com.	.	...	30½	29	29	31	35	33¼	11
Do. pref.	.	...	92½	91	91	93½	241	96⅛	56
Do. com. (new)	.	...	31	29½	30	...	865	31	29½
Do. pref. (new)	.	...	78¼	75	75½	77	3114	80	75
Do. Voting	.	...	29	28¾	28¾	29	155	31¼	11
Tractions—									
Barcelona (par $50)	.	...	33	33	33	33	150	40½	26
Brazilian, com.	5	4.73	106¼	103½	105¾	106⅜	11320	123½	80
Do. pref.	6	5.74	..	...	...	...	...	108	97½
Detroit Un. Rly.	.	...	..	...	...	...	...	3½	1½
Duluth-Superior	.	...	..	...	...	...	...	33¼	25
Illinois Traction, pref.	6	6.00	..	...	...	...	...	100½	96¼
Montreal Trams.	10	5.91	169	169	169	169	5	190	159
Do., Rights	.	....	..	...	...	...	...	12½	9
Ottawa Traction	4+1	...	..	...	...	...	...	74½	60
Porto Rico Rlys., com.	.	...	56	46½	56	49	501	56	40
Do. pref.	7	7.44	94⅛	93½	94	90	155	94⅛	85½
Twin City, com.	5	7.75	65	63½	64	64⅞	951	79½	58
Do. pref.	7	6.93	..	...	...	...	...	103	101
Winnipeg Elec., com.	1	...	64	60¾	63¾	61¼	4165	64	45¼
Do. pref.	7	6.79	104	102	103	102	65	104	95
Textiles—									
Can. Conn. Cotton, pref.	4	...	35	35	35	35	5	49	35
Can. Converters	7	6.93	102	101	101	101	225	104	90
Can. Cottons, com.	8	6.80	..	...	...	...	...	124	113
Do. pref.	6	6.31	95	95	95	95	8	99½	92½
Cosmos Imp., com.	.	...	16	15½	15¾	16	530	16½	14¾
Do. pref.	.	...	93¼	92½	92½	92¾	129	93½	92½
Can. Woollens, com.	.	...	6	6	6	5	5	8	4
Do. pref.	.	...	...	...	...	...	...	56	45
Dom. Textile, com.	5	4.95	102½	101	102	102½	933	103	89
Do. pref.	7	5.83	..	...	...	...	...	122	115
Monarch Knitting, pref.	.	...	..	...	...	...	...	55	30
Montreal Cottons, com.	6	5.55	108	108	108	108	2	115½	102
Do. pref.	7	6.08	..	...	...	...	...	115½	110
Penmans, com.	8	4.39	182	182	182	184½	62	191	173
Do. pref.	6	5.88	102	102	102	100¼	17	104½	100¼
Wabasso Cotton	4	4.08	98¼	96½	98¼	99¼	140	100	60
General Industrials—									
Amer. Sales, c. (par $20)	4	5.79	69¾	66½	69¾	68	371	70	54
Do. pref.	7	7.14	98	97	98	96¾	231	98	92
Asbestos Corp., com.	.	...	24	23	23½	23¼	1702	25¾	16½
Do. pref.	7	8.53	83	82	82½	82¾	893	84	62
Burt, F. N., com.	12	5.17	59	57¾	59	58	548	67½	50
Do. pref.	7	3.33	..	...	...	...	...	210⅛	210⅛
Building Products, pref.	7	7.48	93½	93½	93½	93	5	94	83
Brant Cord. pf. (par $25)	8	8.33	24¼	24	24½	24	362	27½	23
Canada Cenemt, com.	6	5.12	117½	117	117	117	267	124	98
Do. pref.	7	5.94	117¾	117	117¾	118	65	120	113
Dom. Rubber, pref.	7	...	..	...	...	...	...	87½	80
Can. Ind. Alc. (no par)	$1.28	4.12	33¼	29⅞	33	30⅝	42357	33¼	16¼
Crow's Nest Coal	6	9.30	65⅛	64½	64½	68	25	85	51
Dom. Glass, com.	7	7.27	98	96	97	98	1166	105	81
Do. pref.	7	6.25	112	112	112	113	10	113	103
East. Theat., c. (par $25)	.	...	25	25	25	25	10	30	18¾
Do. pref.	7	7.44	94	94	94	95	12	95	83
Famous Players, com.	.	...	19	17¼	19	16½	51	21	11
Do. pref.	8	8.55	94	93	93½	93	131	94½	88
Gilman, com.	6	4.91	122	122	122	122	1	127½	104½
Do. pref.	7	5.38	..	...	...	...	...	131	113½
Goodyear Tire, pref.	7+3½	7.16	97¾	96½	97¼	97	183	99¼	85
Holt Renfrew, pref.	7	...	..	...	...	...	...	90	84½
King Ed. Hotel	.	...	39½	38	38	37½	185	41	25
Kelvinator, com. (no par)	.	...	13	11⅞	12	14	75	24¼	11⅞
Do. pref.	7	7.82	89½	89½	89½	89½	10	95¾	88
Lyall Construction	.	...	35½	35½	35½	35½	75	48	20
Nat. Brew. c. (par $25)	4	5.92	68	66⅞	67½	67½	2080	72	56
Do. pref.	7	6.60	..	...	...	...	...	110	101¾
National Brick, com.	.	...	..	...	...	...	...	12½	8
Do. pref.	7	...	..	...	...	...	...	72	60
Pacific Burt, com.	6	6.48	92½	92½	92½	93	10	110	90
Do. pref.	7	6.57	106½	106½	106½	106	5	110	102
Page Hersey, com.	75c	5.04	59½	57	59⅛	58	1225	59½	43
Do. pref.	$1.75	5.88	119¼	118	119¼	118¾	1138	120	100½
Loew's, com.	.	...	..	...	...	...	...	40	36
Do. pref.	.	...	98	98	98	95	4	98	90
Port Hope Sani., com.	3	2.45	122	122	122	121	20	130	74½
Do. pref.	7	6.60	106	105	106	105	25	106	99
Rogers, Wm., com.	.	...	70	70	70	70	40	70	45
Do. pref.	7	7.07	99	99	99	100	10	100	90
Sher.-Williams, com.	6	4.13	145	142	142	146½	60	148½	125
Do. pref.	7	5.88	..	...	...	...	...	120½	110½
Sterling Coal	4	...	38	37⅜	38	38	224	43	36
Tooke Bros., com.	.	...	..	...	...	...	...	8	8
Do. pref.	.	...	82	80⅞	82	81	181	82	56
Tuckett Tobacco, com.	4	5.88	68	68	68	68	75	73	58
Do. pref.	7	6.66	105½	104½	105	105¾	35	105¾	100
Woods Mfg., com.	.	...	47	47	47	45	15	48	38
Do. pref.	7	8.04	87	87	87	83¾	10	90	77¾
Standard Chem., pref.	.	...	..	...	...	...	...	9	9
Can. N. W. Land	.	...	..	...	...	...	...	21	18
Trust and Loan—									
Central Canada	12	...	..	...	...	...	...	210	210
Can. Landed (par $50)	10+1	5.78	96	94½	96	93½	60	100	90
Can. Permanent	12	5.66	..	...	...	...	...	212	202¼
Colonial Invest.	6	...	6½	6½	6½	6½	6	7	4
Huron & Erie	7+½	5.45	137½	137½	137½	135	2	137½	127½
Landed Banking	9	5.66	..	...	...	...	...	159	150
Mont. Loan (par $50)	12+1	6.50	..	...	...	...	...	50	50
National Trust	12	4.97	..	...	...	...	...	245	232½
Ontario Loan (par $50)	11	5.00	..	...	...	...	...	110	103½
Real Estate Loan	7	7.60	92⅛	92⅛	92⅛	90½	4	92⅛	83
Toronto Gen. Trusts	12	5.38	..	...	...	...	...	225	220
Toronto Mtge. (par $50)	10+1	5.61	..	...	...	...	...	100	93½
Union Trust	7	6.79	103	103	103	103	14	105	98
THE CURB MARKET									
Andes Pete	.	...	..	...	...	...	...	6⅝	6⅝
Attendu Eng.	.	...	37½	34½	37	37	827	43¾	7
Beacon Oil	.	...	18	17¾	18	18	300	19½	14¼
Belding, pref.	7	6.86	102	100¾	102	102½	62	102½	92½
Brew. and Dist.	.	...	4¾	4⅝	4⅝	4¾	525	5¼	4¼
Brit. Amer. Oil (par $25)	10	3.10	80½	76	80	77½	8550	80½	47
Can. Nor Pr., com.	.	...	43	40	43	40¾	13	43	28
Do. pref.	7	7.07	99	98¾	99	98½	581	99	89¼
Belding, com.	.	...	85¼	80	85¼	80	60	85¼	75
Can. Oil, com.	5	5.15	97	95	97	90½	79	97	65
Do. pref.	7	6.00	116½	115	116½	115	31	116½	109
Cockshutt, pref.	.	...	73½	71	73½	71¾	815	73½	57¼
Continental Oil	1.00	...	19⅜	19⅜	19⅜	19½	6	26	17⅞
Cosgrave Brew. (par $10)	5	6.45	8	7¼	8	8	3880	9	5
Dom. Eng.	.	...	131	130	131	135	210	135	65
Eastern Dairies	.	...	18⅝	16¾	18⅝	16⅛	785	18½	15½
Dryden Power (no par)	.	...	11	10½	11	10½	440	12	5½
Dominion Power, pref.	7	...	..	...	...	...	...	101¼	101¼
East Engineering	.	...	..	...	...	...	...	2½	1
Eng. Elec., com. (no par)	.	...	..	...	...	...	...	24½	15
Do. pref.	.	...	..	...	...	...	...	75	59½
Fraser, pref.	7	...	..	...	...	...	...	94½	94½
Good. & Worts	$1.00	2.40	41¾	38¼	40	38⅞	11041	41¾	27¼
Hamilton Dairies	.	...	23½	23½	23½	24	35	24½	21¾
Illinois Power, pref.	7	7.00	100	100	100	99	7	100	95
Imperial Oil	$1.25	3.25	39	37¾	38	38¾	5745	39⅝	32½
Inter. Petroleum	75c	2.35	32	31	31½	31⅝	780	35½	29¼
Loew's, London	.	...	..	...	...	...	...	3¾	3¾
Manitoba Power	.	...	53	43	51	43	194	53	24
McColl Oil, com.	80c	...	24½	24	24¼	24⅞	685	25	18⅞
Do. pref.	7	7.03	99½	99½	99½	99¼	50	99½	95
Newsprint Co.	.	...	..	...	...	...	...	27	18
North St. Oil, c. (par $5)	.	...	..	...	...	...	...	1.25	.75
Do. pref.	7	8.43	4.80	475	480	475	400	490	450
Nor. Mex. Pr., com.	.	...	42	41	41	42	610	55	40
Do. pref.	7	...	..	...	...	...	...	85	80
N.S. Car, com.	.	...	..	...	...	...	...	15	7½
Ottawa River, Pr.	.	...	..	...	...	...	...	25	25
Ottawa Mont. Pr., com.	.	...	19	18	19	18	42	19	18
Paton Mfg., com.	.	...	..	...	...	...	...	55	50
Do. pref.	.	...	99¾	99¾	99¾	100	15	100	75
Power Corp. (no par)	.	...	27¾	26⅞	27⅜	27¼	1374	28¼	22
Do. pref.	6	6.45	93	93	93	92½	20	95½	92
Pressed Metals	.	...	30	30	30	30	15	40	30
Seagram	.	...	17⅞	16¼	17⅛	17	16797	18	14½
Simpson, Robt., pref.	6	6.03	99½	99½	99½	100	5	102	99
St. Law. Pr. (no par)	.	...	53	52	53	52½	216	60½	35
Do. pref.	8	7.47	107	107	107	107½	10	109½	103¾
St. Maurice Pr.	.	....	100	99	99	99	26	101	72½
St. Maurice Valley	.	...	59	59	59	59	68	65	40
Sovereign Secs.	.	...	1.90	165	190	165	607	190	150
Toronto R.S.	.	...	..	...	...	...	...	195	110
Un. Secs., com.	.	...	52	52	52	50	30	65	50
Do. pref.	6	5.71	106	105	106	105¼	121	106	102
Volcanic Oil	63c	...	38	37	37	35	620	38	26

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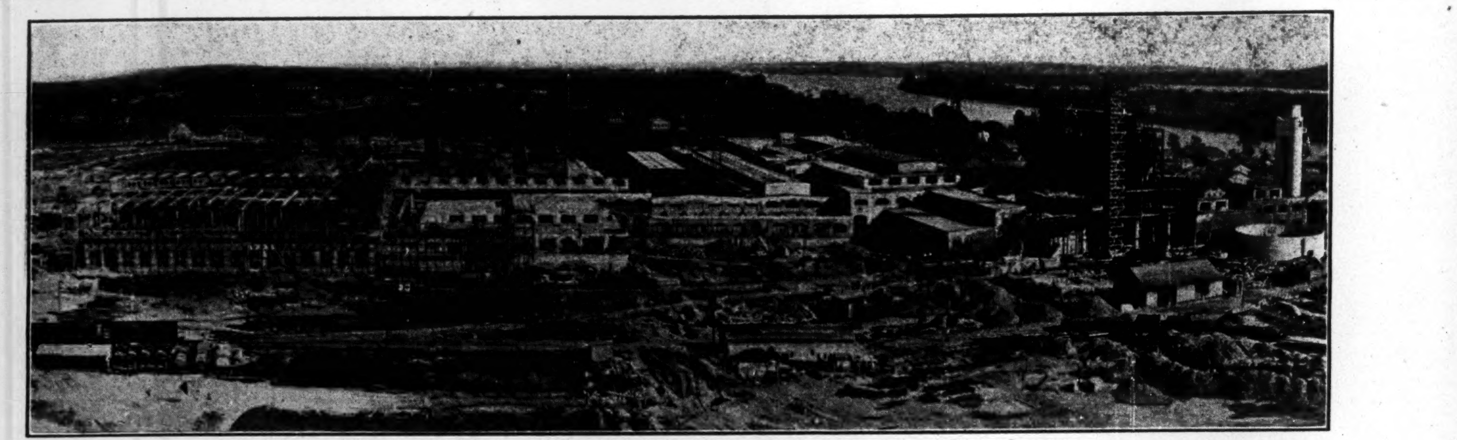
New Unit in Newsprint Industry Moves Forward



Work is progressing rapidly on the new Gtaineau newsprint mill of International Paper Company.

Pulp & Paper

VARYING VIEWS ON NEWSPRINT ARE EXPRESSED

Spot Market Satisfactory, But What of New Contracts Which Must be Closed?

From Our Own Correspondent

MONTREAL.—Speaking on the spot newsprint market, the Paper Trade Journal says: "Newsprint continues in heavy demand and the increased production being maintained this year is being readily absorbed by the publishers. Spot supplies are said to be decidedly scarce and prices are steady to firm. Contract orders for next year are being booked at a good rate."

There Are Other Views

The foregoing represents the views of one of the leading paper journals regarding the present market for newsprint. Those who are not optimistic about the immediate course of newsprint shares on the market, say that the foregoing simply tells the position of newsprint at the moment and does not take into consideration several significant facts.

While none of the manufacturers have attempted to steal a march on their competitors by announcing a reduction in the price of newsprint for 1927, nevertheless there is a great deal of gossip going the rounds indicating that prices are being shaded in some quarters.

What of New Contracts?

The Paper Trade Journal says: "that contract orders for next year are being booked at a good rate." What the pessimistically inclined say is: "if the outlook for newsprint shares during the first half of 1927 be so satisfactory, why is it that with all the new machines coming into production, the newspapers fail to carry little items indicating that the production of the new machines, which the Blank Pulp and Paper Company has added, has been contracted for during the next six months?"

Perhaps one of the most significant things in the whole newsprint situation is the entire absence of any such items in the columns of the press regarding the many new machines which have entered production recently, or are about to enter production within the next few weeks.

The whole discussion raging around the present newsprint situation simply boils down to the question of whether or not the United States will be able to absorb the largely increased production coming on the market during the next six months.

What Will Happen?

If the United States is not able to take up the increased output, the investors who will be still in a satisfactory position are those who have their funds only in sound companies operated by capable and experienced managements. They will be able to hold their shares and wait patiently for a year or so when, presuming some surplus in 1927, the industry will come back into its own. There is no doubt that over a term of years, the growing scarcity of timber can not but react favorably toward the holders of the paper stocks.

None can foretell the course of any shares on the market over a six months' period; especially so is this with regard to the newsprint stocks over the next six months. But the ultimate future of the sound, established and well managed companies can not but be bright.

Saskatoon has now five silver fox farms in flourishing condition, each having a stock of from 100 to 300 silver black foxes.

Three Rivers Paper Would Pave Highway to New York City

Years ago when a business consisted of one small plant with a few employees, it was a relatively easy matter for the average man to visualize the entire scope of the operations of organizations in the various industries. Raw materials were close at hand, manufacturing processes were comparatively simple and the finished products found markets in nearby communities.

But to-day, a company owning a single mill is the exception. Industrial development has resulted in complex organizations operating many plants.

It is hardly an exaggeration to say that it is more difficult for a man to be familiar with the operations of a company such as ours than it was for one to be conversant with the entire industrial field a hundred years ago.

As a result of such growth in every field of business, it has become impossible for the average man nowadays to keep specifically informed of the various phases of industry. He reads, for example, that International Paper Company is the largest paper manufacturer in the world and he accepts the statement without realizing what it means.

He reads that their Three Rivers mill is the largest paper mill in the world, but he has become so accustomed to hearing large figures that quite naturally he does not appreciate what is involved in the operation of the mill. It is only when he pauses to consider such figures as these does he realize what a large mill it is.

The annual capacity of the Three Rivers mill is greater than the entire newsprint production of Canada sixteen years ago, and greater than the production of all the newsprint mills in North America in 1890. The mill can turn out daily seven thousand eight hundred times more paper than the first paper mill on the continent.

If the pulpwood used every year by the Three Rivers mill were piled in a continuous strip four feet wide and four feet high, it would reach all the way from the mill to the New York offices of the company, with a few miles over for good measure. The combined installed capacity of the pumps in the filter plant is enough to supply the city of Boston or the city of Montreal.

The daily product of the mill, if made into a strip sixty feet wide, would make a band of newsprint stretching to New York City.

Laurentide Increases Newsprint Output?

From Our Own Correspondent.

MONTREAL.—Trading in the shares of the Laurentide Company has again recommenced in some volume. The movement and trading in the stock is based, as usual, on the many rumors of various "deals," which obtain a very widespread distribution. As far as can be ascertained, there is no change in the situation affecting the company. The latest rumor regarding Laurentide indicates that some announcement will be forthcoming about the middle of the present month. It is said that this announcement will be made by those at present unconnected with the management. Two of the names closely linked with the company at present are those of Sir Herbert Holt and J. W. McConnell. The latter, of course, is on the directorate and there is no evidence at present which indicates that Sir Herbert Holt is interested in Laurentide's operations.

The first six months of the current fiscal year end at the close of December. During that period, operations have been maintained at full capacity. The latter indicates that during the first half of the year, Laurentide's earnings have been very much in line with those experienced during the last fiscal year, when operations were maintained at capacity during the whole twelve months' period.

Another rumor regarding Laurentide indicates that the company has laid plans to increase its newsprint capacity from 380 tons to 525 tons per day. It is said that plans for the new machines have been finished and that the additions will be completed from working capital. Thus, no further financing will be required.

However, all these rumors have not yet received any official impromatur of any kind.

Howard Smith Paper Has Bettered Position

From Our Own Correspondent

MONTREAL. — The Howard Smith Paper Mills' fiscal year ends at the close of December, and earnings, it is said, are well ahead of those experienced last year. IIn 1925, the company earned 7.44 per cent. on its common stock; in 1924, 7.52 per cent., and in 1923, 10.36 per cent.

Despite the improved showing which is anticipated for the current year, it is felt that the company will continue to build up its financial position and that dividends on the common are some distance off as yet. At the close of 1923, the working capital amounted to $873,753. At the close of last year this was increased to $1,260,616. The last common dividend paid by the company was 1 per cent. in July, 1924. Preferred dividends, of course, have been paid right along, as earnings have been well over three times the preferred dividend requirements during the past five years.

Early in 1927, the Howard Smith Paper Mills' subsidiary, the Canadian Cellulose Company, will enter production, with an initial capacity of 12,000 to 15,000 tons of soda pulp. Part of the output of the new mill will be utilized in the Howard Smith production of fine paper and a portion will be sold on the open market.

During the past year, the sulphite pulp market has been fairly satisfactory and this should have had a beneficial effect on the earnings. The company's export business, amounting to something over 10 per cent. of its whole business, is said to have been fairly catisfactory during the current year, which ends at the close of this month.

Port Alfred Increase Authorized

MONTREAL. — The special general meeting of the shareholders of the Port Alfred Pulp and Paper Corporation held this week authorized an increase of 60,000 shares in the common stock. The new stock will be offered to the shareholders at $25 per share on the basis of one new share for every share presently outstanding. The subscription price of the new stock will be payable as follows: Not less than 40 per cent. upon subscription or before December 28; not less than 30 per cent. on or before June 1, 1927; and the entire balance on or before December 28, 1927. The rights to subscribe will expire on December 28, 1926.

ROLLAND

Six Standard
"R Shield" Bonds
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LINEN BOND
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"Pinxit"

In ancient days masters of the brush marked "Pinxit" on their finished paintings as a mark of personal pride in the achievement. "Pinxit"—"I did it."
The "R Shield" watermark in paper is a mark of identification. It definitely establishes it as a "Rolland" product and signifies the maker's willingness to accept the responsibility for its quality and performance.
The "R Shield" watermark guarantees that the sheet is made up to a standard of quality upon which the maker has built up a splendid reputation over a period of nearly half a century.
Insist on Rolland paper, and look for the "R Shield" mark—to see that you get it.

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Manufacturers of
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GRAND'MERE - QUEBEC

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Mills at PORT ALFRED, P.Q.

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St. Maurice Valley Corporation
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Shawinigan Falls, P.Q.
St. Maurice Paper Company, Limited,
Three Rivers, P.Q.
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Head Office:
MONTREAL-QUEBEC

Abitibi Power & Paper Company
Limited
NEWSPRINT
Head Office: Montreal Mills: Iroquois Falls, Ont.

Annual Capacity: 150,000 Tons of Groundwood
Pulp. Mills at Chicoutimi and Val Jalbert, P.Q.
Quebec Pulp and Paper Mills
Limited
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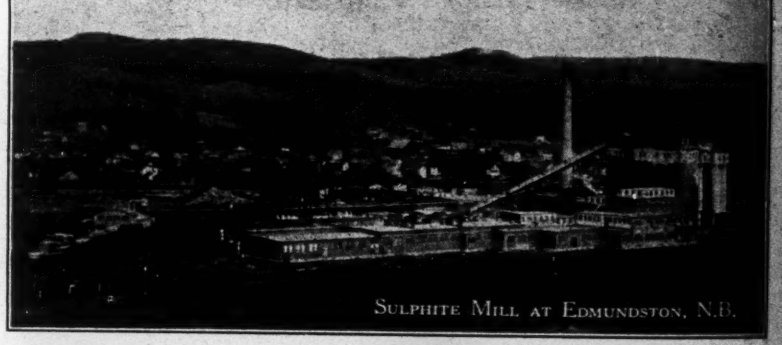

SULPHITE MILL AT EDMUNDSTON, N.B.

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Refineries - St. John, N.B.

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Stocks in Christmas Stockings Give Stake in Canada as Present

You do not have to go near the stores nor write a letter to Santa Claus to make a Christmas present of bonds or stocks. Such a gift carries with it not only an immediate abundance of good will but assurance of a chain of good will offerings as coupons are clipped or dividend cheques cashed.

The giving of securities at Christmas has grown in favor in the past few years, bond and stock houses report. Especially is it now the custom for fathers to give a share of stock or a bond to the sons and daughters of the family at this season of giving. It teaches habits of thrift and handling of investments to the younger generation. It gives them a definite stake in the business of their country, leading them to search more closely into questions of commerce and finance. It makes young capitalists of them, which may be a retrograde step in the eyes of the socialist, but which is not to be deplored in a world operating on a constantly improving capitalistic system.

Best Bonds or What?

Securities chosen for Christmas giving are usually the highest grade bonds; government or municipal bonds chiefly, followed by the better grade of corporation issues. But there may be fathers who will want to depart from this conservative practice in their Christmas giving who will want to put stocks in the Christmas stocking. Such a departure would have the advantage of making the recipient more inclined to watch his security; the earnings of the company represented, the market fluctuations; the general trend of investment prices. A Victory bond would not lead to such habits to the same extent. And so stocks might be considered for their Christmas giving.

What stocks are suitable? Here is a list of securities, representative though not at all a complete selection of the best Canadian stocks. In the list, are preferred stocks, chosen for their combination of strength and good yield; common stocks of assured return, and common stocks seasoned and strong but with good possibilities for appreciation in value.

It will be noted that the stocks represented are all securities of important and established Canadian companies. Mere ownership of securities in any one of these companies would make any young man or woman a better student of Canada.

PREFERRED STOCKS OFFERING GOOD YIELD WITH PROSPECTS FOR PROFITS

Spanish River Pulp and Paper Mills 7 per cent. preferred stock. Present price about 115. Yield 6.08 per cent.

Here is an interesting stock in one of the largest paper companies in the world. Its product is the paper on which many newspapers print their daily editions. The dividend seems assured and may be increased in time. an interesting feature of the stock being that the preferred stock must share with the common stock in any increase of dividends above the rates now being paid on the two classes of shares.

Massey-Harris Company 7 per cent. preferred stock. Present price about 102. Yield 6.82 per cent.

This yield is rather high and makes the stock very attractive. The company is the largest manufacturer of agricultural implements in the British Empire, and with the return of prosperity to farmers throughout the world is strengthening its position very materially. Of course, the management is excellent.

Winnipeg Electric Company 7 per cent. preferred stock. Present price about 102. Yield 6.82 per cent.

Winnipeg Electric is the company that runs the street car lines in Winnipeg and supplies many of the homes and industries with power, light, gas, etc. It is one of the public utility corporations in Canada that have come back to a position of genuine prosperity, and it is bound to grow as Canada's prairie metropolis grows.

Goodyear Tire and Rubber Goods Company 7 per cent. preferred stock. Present price about 97. Yield 7.23 per cent.

There might be some criticism for the inclusion in this list of a stock that has had to hold up dividends for a number of years, as did this stock. But dividend arrears are practically paid off and the directors could pay them off any time they wanted to without weakening the company's position at all. It is progressing well and there is a speculative possibility to this stock, which seasons it with an appetizing zest that makes its inclusion in a Christmas list worth-while.

COMMON STOCKS WITH DEFINITE DIVIDEND RATES

Bell Telephone Company of Canada, 8 per cent. stock. Present price about 138. Yield 5.74 per cent.

Bell Telephone Company has only one class of stock. It pays dividends of 8 per cent. which are fairly definitely assured. Earnings are not thoroughly satisfying now, but it is hard to believe that the government will not protect investors by such rate adjustments as may be proven necessary. Dividend rates are hardly likely to be increased and it seems equally certain they will not be decreased. As one has to pay $138 for a $100 share, the actual yield is reduced to about 5¾ per cent., which is, however, good return for such a sound security and is likely to be improved by occasional valuable "rights" to bring new stock at under the market price.

Consumers Gas Company of Toronto, 10 per cent. stock. Present price 171. Yield 5.84 per cent.

This is another stock with a definite dividend rate, in this case arranged and assured by contract between the city of Toronto and the company, which supplies Toronto with its gas for domestic and industrial use. The holder of this stock is likely, in time, to average better than the yield shown. The company's expansion makes it necessary from time to time to sell new stock, and this is usually offered at somewhat under the prevailing market, making the "rights" to subscribe for new stock just as good as an extra dividend.

Canadian Pacific Railway Ordinary stock, paying 10 per cent. dividend. Present price about 165. Yield 6.09 per cent.

This company needs no introduction to the young investor. It is the largest and most important company in Canada and any one who holds a share of its stock has a real stake in Canada. The ten per cent. dividend has been paid for many years and is now recognized as the company's regular rate, likely to be maintained without increase or decrease for many years. No better stock could be chosen as a start in Canadian investment.

Montreal Tramways Company Ordinary stock, paying 10 per cent. dividend. Present price about 167. Yield 5.98 per cent.

This company runs the street car service on the island of Montreal. It is exceedingly well managed and is growing constantly. Its dividend return of 10 per cent. is assured because the company has a contract with the city of Montreal enabling it to earn charge fares that will give it enough every year to pay this dividend. Paying around 167 for the stock, the investor is making about 6 per cent. on his money, which is very good when the dividend comes so close as to be an actual certainty.

COMMON STOCKS PAYING GOOD DIVIDENDS AND WITH GOOD PROSPECTS AHEAD

This group of stocks could be strung out to an almost indefinite list, but only a few interesting stocks have been chosen.

Steel Company of Canada common stock, now paying 7 per cent. dividends. Present price 116. Yield 6.06 per cent.

This is an old established steel enterprise with plants in several centres, and selling a wide variety of products in every part of Canada. Up to date, well managed and progressive, it offers attractive possibilities to the investor. The present yield on the stock is not high, but there is no reason why dividends should not increase slowly as the years of prosperity roll on.

Canadian Cottons Company, common stock, now paying 8 per cent. dividends. Present price 113. Yield 6.80 per cent.

This company is one of the important factors in the cotton textile industry of Canada and seems now to have entered on a period of genuine prosperity which should be reflected in steadily improving prices for the stock. Cotton is a staple industry and one likely to hold its share of prosperity despite the advance of rayon and other fabrics.

Dominion Textile Company, common stock, now paying 5 per cent. dividends. Present price 102. Yield 4.87 per cent.

This is another company, the largest cotton company in Canada, and an institution of rare strength. The stock yields a much smaller return but chiefly because of the more satisfactory return record of this company. The stock is not by any means a cheap stock, but it has never been that and the market has always moved ahead of the return to the shareholders. The buyer of Dominion Textile stock is investing in Canada.

Canada Cement Company common stock, now paying 6 per cent. dividends. Present price 117. Yield 5.17 per cent.

This is the largest cement company in Canada, serving nearly every part of the country. It has great financial strength and excellent management. It supplies a commodity established as a basic necessity in modern civilization and that grows in demand as the country grows, as well as with the growth in the number of its uses. The yield to the investor is small but larger dividends are practically assured within a few years, as the company's bonds are paid off.

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Pulp and Paper

(Continued from page 6)

Manitoba Wants Say in Disposal of Limits

From Our Own Correspondent

MONTREAL.—Apparently, the province of Manitoba desires to obtain more say so in the disposal of its natural resources. In Winnipeg recently, M. J. Stanbridge, representing the small pulpwood owners, appeared before a civic sub-committee and alleged that the pulp and paper interests in the province had combined to pay a price of $6.25 a cord for pulpwood to settlers, and that there was no competition for pulpwood within 100 miles of the Manitoba Pulp and Paper Company's mill at Fort Alexander.

The sub-committee met to consider the petition of the small pulpwood owners that the Winnipeg city council join in a request to the Dominion Government not to accede to the Fort Alexander mill's request for additional pulpwood areas until the approval of the Manitoba Government had been secured. Mr. Standbridge claimed that the Manitoba Pulp and Paper Company had already obtained an area twice as large as was necessary from which to collect its 5,000,000 cords.

Abitibi Bond Issue is Not to be Called

From Our Own Correspondent

MONTREAL.—Informed opinion says that there is no basis for the report which recently appeared in one of the financial news services indicating that the Abitibi Power and Paper Company is to retire its issue of 6 per cent. general mortgage sinking fund bonds.

It was said that the issue would probably be called on June 1, 1927, at 105 and interest and that the funds to retire the issue would be provided by a further issue of consolidated mortgage bonds bearing a low rate of interest.

Information from authoritative sources says that such rumors are without any foundation in fact.

ST. MAURICE DEAL THROUGH

MONTREAL.—The special general meeting of the shareholders of the St. Maurice Valley Corporation this week ratified the increase in the common stock from 150,000 to 500,000 shares. Of the newly authorized issue, 10,000 shares will be distributed to the shareholders of the Canada Paper Company in exchange for their holdings and the St. Maurice Valley Corporation will then own all the common stock of this new subsidiary.

Wayagamack Starts

MONTREAL.—The announcement of the 75 cent dividend on new Wayagamack common shares for the period ending November 30, has been taken as establishing the new stock on a $3 dividend basis. This figure is in line with what was generally anticipated and what was published in The Financial Post. The annual report which will appear shortly will prove very satisfactory to the shareholders.

Soon Busy at Pine Falls

MONTREAL.—Wheels and rollers of the new paper mills at Pine Falls will turn over for the first time December 15, it is stated by Bruce W. Thompson secretary of the Manitoba Paper Company. The plant will have to run idle for a few days while necessary tests and adjustments are made before it can actually start to turn out paper. The date of the official opening of the mill has not yet been set, but it is expected to be within the next two weeks.

Anglo-Canadian Mill Erects Steel in Winter

From Our Own Correspondent.

MONTREAL.—The construction plans of the Anglo-Canadian Paper Mills, at Limoilou, P. Q., call for the erection of the steel work of the mill during the winter. The foundations are being put down now. The company's schedule calls for two machines, each producing 100 tons of newsprint daily, to be in operation by December, 1927. A further 200 tons will be added to the output by June, 1928, and the ultimate capacity of the plant will be 500 tons daily.

Recently, the company increased its timber resources by 2,500,000 cords through the acquisition of its Montmorency timber limits. All financing of the project has been arranged. Its output will be sold in England. Thus, production will not serve to augment the volume of Canadian newsprint going on the U. S. market.

Atlantic Sugar Earnings At High Level

MONTREAL.—The earnings of the Atlantic Sugar Refineries this year have been maintained at a high level and some forecasts of the earnings for the year ending December 31 indicate that the 78,889 shares of common stock outstanding will earn about $6 per share. The company's plants have been, and are still working at capacity and, due to their seaboard location, the export business during the year has been well maintained. Rumor has it that the satisfactory earnings will allow the company to retire considerably more than the sinking fund requirements of its consolidated mortgage issue which was issued this year to pay the company's raw sugar debt incurred at the time of the tremendous drop in sugar prices in 1920-21.

At the present time, the company has outstanding some $4,700,000 in first mortgage and general mortgage bonds. Under the mortgage agreement, it can pay no dividends until such time as the aggregate amount of bonds outstanding totals $3,000,000. Before this is accomplished, therefore, probably nothing can be achieved regarding the arrears on the preferred shares which now amount to 42 per cent.

QUEBEC PULP SELLS ABROAD

MONTREAL.—It is understood that the Quebec Pulp and Paper Mills have been experiencing very satisfactory business during the past few months. Its output consists of 400 tons of groundwood per day, and a large portion of this production is sold in England and France.

Mattagami Grows

MONTREAL.—Considerable expansion is in progress at the plant at Smooth Rock Falls, Ont., of the Mattagami Pulp and Paper Company. It was announced at the head office in Toronto last week that the firm was installing two acid towers for the limestone system.

SASKATCHEWAN'S COMMUNITIES

From Our Own Correspondent.

REGINA.—According to an official announcement from the Department of Municipal Affairs of Saskatchewan there are in this province at the present time, seven cities, eighty towns, three hundred and sixty-seven villages, three hundred and one rural municipalities and four thousand six hundred and ninety-eight school districts.

The Toronto Stock Exchange, in the unlisted department, has added Cosgrave Export Brewery Co., Limited, $1,000,000, shares $10 each.

DOMINION TEXTILE CO., LIMITED

PRUE
COTTONS

MANUFACTURING

ALL LINES OF WHITE AND GREY COTTONS, PRINTS, SHEETINGS, SHIRTINGS, PILLOW COTTONS, LONG CLOTHS, CAMBRICS, DUCKS, BAGS, TWILLS, DRILLS, QUILTS, BUREAU COVERS, TOWELS AND TOWELLING, YARNS, BLANKETS, RUGS, TWINES, NARROW FABRICS

AND NUMEROUS OTHER LINES USED BY MANUFACTURERS IN RUBBER AND OTHER TRADES.

MONTREAL TORONTO WINNIPEG VANCOUVER

Wabasso
TRADE MARK REGISTERED

Made-in-Canada Cotton Fabrics, the equal of the best produced anywhere in the world.

Wabasso Cottons are Canada's best

Lawns, Nainsooks, Cambrics, Longcloths, Broadcloths, Shirtings, Pillow Cottons, etc.; fine coloured cottons, Corset Fabrics, Yarns, etc.; Wacosilke, a new fabric made from finest Wabasso combed yarns and Celanese Brand yarns combined.

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Suppose this year you give them each a Bank Book containing an initial deposit, and urge them to add to it regularly. Could anything be more suitable?

Add "Royal Bank Pass Books" to your list of Christmas Gifts.

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This Christmas They Come with Non-Breakable Barrels

Made of Parker Permanite Instead of Rubber as in Former Years

Lighter weight, yet stronger than ever are the Parker Duofold Pens and Pencils that we offer this Christmas at no increase in price.

The pen that was dropped 3000 ft., tossed from a 25-story hotel, and run over by 3 loaded passenger buses and did not break.

The pen with the polished Iridium tipped point that yields to every hand but never loses its shape—that is guaranteed 25 years not only for mechanical perfection but *for wear!*

To match this black-tipped lacquer-red Beauty is the Parker Duofold Pencil that turns the lead both OUT and IN, and is easily filled by inserting a new lead into the tip without taking the pencil apart.

No matter how much you pay, you cannot buy a finer writing team than this Parker Duofold Duette.

All ready at all good dealers in Satin Lined Gift Box for Christmas mailing.

THE PARKER FOUNTAIN PEN CO., LIMITED
TORONTO 3, ONTARIO

PARKER
DUOFOLD
LUCKY CURVE
PARKER
Pen with 25-Year Parker Duofold Point $5 and $7
PARKER
Parker Duofold Duette in Satin Lined Gift Box $8 - $8.50 - $11

Made in Canada—Same Price as in the States

Parker Duofold Pencil alone $3 and $3.50 and $4

Parker Duofold

Lucky Curve Feed and 25-Year Point

PLAYING CARDS ONCE CHIEF UNIT CANADIAN MONEY

In French Times, Shortage of Other Currency Brought Them in

Peas and playing cards, corn, codfish, wild-cat and wampum, moose, copper, bills of exchange and brass—these are the names that tell the story of frenzied finance during the period of the French occupancy of Canada. When the flag of France flew on the shores of the St. Lawrence, the financiers of the time were wrestling with problems that might well tax the brains and foresight of present-day statesmen. The barter—peas, moose, corn, wampum and so forth—may be dismissed quickly because while each of them, at one time or another, passed as authorized currency, they were sooner or later replaced by a simpler and cheaper medium, playing cards.

Playing Card Inflations

Not only did card money, as it was called, become the common form of currency, but two hundred and forty years ago, Canada, according to the documents of the Canadian archives, resorted to playing cards as a means of indulgence in that familiar financial panacea—inflation. For sixty years (which can be divided into two distinct periods of issue) the monetary needs of Canada were bolstered up by the printing and issuing of packs of playing cards. These cards were cut into various sizes and shapes and each one was signed by one or other of the two governing officials of the country; a happy expedient, condemned and prohibited at first by the French crown, and then condoned in larger and larger amounts, up until the British occupancy in 1763.

The first issue was made quite innocently. In 1685, Demeulles, the intendant, found himself in great straits to provide for the sustenance of his troops. The device of card money to which he resorted, was purely a financial matter, the cards being issued, not to furnish a medium of exchange, but simply as a temporary means for paying the troops and purchasing supplies. A forced issue of paper currency seemed to afford the most effective remedy. The lack of suitable paper and printing materials, led him to resort to the only available substitutes, the packs of playing cards, obviously imported by the merchants to meet a popular demand. The issue was limited and the credit behind it was good, so the cards proved a welcome addition to the circulating medium of the country. When reported to France, however, the practice was quickly condemned and forbidden, and in future, whenever the intendant ran short of money he was supposed to obtain it by issuing bills of exchange on the merchants in favor of the home office, which were duly paid in France.

Practice Continues

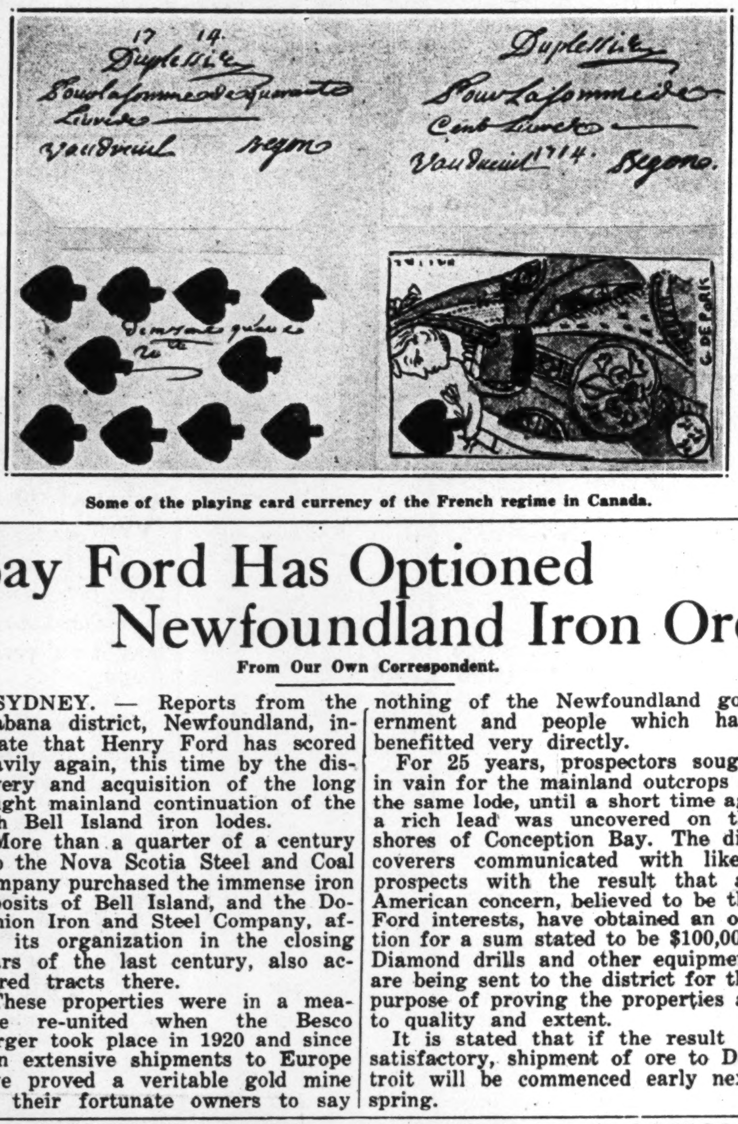
But the issuance of card money, once practiced, was hard to forget, and by 1691 (six years after the first issue) the practice became a regular annual event. In that simple society it did not take long for the habitants and merchants to realize that an increase of money without a corresponding increase in goods, caused a rapid rise in prices. However, there was this distinction that merchants now granted two prices, one in cards and one in coin, and the former rose steadily above the latter.

When the full significance of this practice reached the ears of the French court, the King issued an emergency warrant stating the employment of card money must wholly cease. Champigny, the new intendant, expressed a cheerful willingness to comply with the court's wishes, the minute that the King would have the goodness to provide a substitute. Acadia also tasted the joys of the forbidden fruit and whenever they found that expenditure exceeded the appropriations, they chopped up a new deck of cards. By 1706 the practice was strongly recommended by the new intendant on the grounds that it relieved the King of the necessity of sending coined money to Canada; it eliminated the risk of loss in transit; and since the cards themselves were worthless, (depending entirely for their credit upon the goodwill of the King) they tended to keep the people loyal to the crown.

Thus by 1708, all the currency had left the country, being replaced by card money even to the extent of small cards which took the place of copper coins. The treasury of the home government became steadily more discredited and extra issues were necessary because merchants refused to take bills on France. To meet these extra issues, two higher denominations of the cards for 50 and 100 livres each, were employed for the first time, and the cards steadily sank in value for every additional issue. Eventually a basis of redemption at one-half of their face value, was arranged, and succeeded only because, in 1717, all cards not redeemed were declared to be worthless.

This ended the first period of card money finance and for a few years specie was used as a medium of exchange. But it was not long before specie again became scarce (either it went back to France or was hoarded by the habitant) and in 1728 an order was issued for the re-establishment of the whole system of card money. This was supposed to be redeemed each year and replaced by a new issue, but owing to the difficulties of transport and the hoarding habits of the habitant, very few of the cards were redeemed and new issues were simply added to the existing currency. The card money circulated at first in the neighborhood of Quebec, but soon afterwards extended to Montreal and Three Rivers, later to the growing towns and villages and finally to the settlements of the habitants. In the frontier ports, orders were drawn on the colonial treasury at Quebec, and numbers of these remained as circulating medium. These orders usually passed by endorsement through several hands before finally reaching Quebec, where they were converted into bills of exchange or card money. If the treasurer happened to be embarrased for either of these commodities he issued temporary receipts which circulated as the fifth medium of exchange in the large centres. So popular had card money become by this time that its credit was firmly established and it even replaced coined money in the domestic hoards of thrifty townsfolk.

The eventual disapperance of card money was a typical example of speculation in foreign exchange. The latter issues of French paper money were practically worthless; and the British encouraged the idea that all paper and card money, no matter when issued, was also worthless. This caused the paper and card money to have a speculative value which quickly brought it into exchange. British merchants accepted large quantities of it at a very heavy discount, and the rest of it was bought up by the agents of London merchants who were well informed as to its probable fate. After much negotiation there was almost complete payment of the money which had returned to France, while the issues that remained in Canada were redeemed at three-fourths of their face value.



Some of the playing card currency of the French regime in Canada.

Say Ford Has Optioned Newfoundland Iron Ore

From Our Own Correspondent.

SYDNEY. — Reports from the Wabana district, Newfoundland, indicate that Henry Ford has scored heavily again, this time by the discovery and acquisition of the long sought mainland continuation of the rich Bell Island iron lodes.

More than a quarter of a century ago the Nova Scotia Steel and Coal Company purchased the immense iron deposits of Bell Island, and the Dominion Iron and Steel Company, after its organization in the closing years of the last century, also acquired tracts there.

These properties were in a measure re-united when the Besco merger took place in 1920 and since then extensive shipments to Europe have proved a veritable gold mine for their fortunate owners to say nothing of the Newfoundland government and people which have benefitted very directly.

For 25 years, prospectors sought in vain for the mainland outcrops of the same lode, until a short time ago a rich lead was uncovered on the shores of Conception Bay. The discoverers communicated with likely prospects with the result that an American concern, believed to be the Ford interests, have obtained an option for a sum stated to be $100,000. Diamond drills and other equipment are being sent to the district for the purpose of proving the properties as to quality and extent.

It is stated that if the result is satisfactory, shipment of ore to Detroit will be commenced early next spring.

CONSERVE SALMON SUPPLY ON COAST FEDERATION'S AIM

Work to Maintain Stability of Capital Invested in Industry

International co-operation may mean millions of dollars to those whose money is invested in the salmon fisheries of British Columbia. Joint effort on the part of both Canada and the United States to maintain the maximum fishery yield on the Pacific coast has brought out some very valuable information which will be used to effectively conserve the great salmon fisheries of both countries. This information is being prepared and studied by the International Pacific Salmon Investigating Federation which was organized two years ago. The federation is an association of the executives and scientific staffs of the fisheries of Canada and the United States, and its next meeting will be held in Victoria, early in 1927.

John B. Babcock, deputy commissioner of fisheries for British Columbia, has returned from the last meeting of the federation which was held in Seattle and has outlined the work that has already been undertaken by the organization. The chief aim of the fishery experts is to maintain a maximum yield from the salmon fisheries without in any way endangering the future supply.

"The conception of such conservation held by the federation involves the utilization of the salmon resources to the fullest extent compatible with their preservation. The association seeks to be able to say definitely how many salmon can be taken from a given water and still leave sufficient for spawning purposes, so that the supply will continue year after year at a high level.

Safeguard Supply In Future

"It has repeatedly been brought out at the meetings of the Federation that the central idea of its programme is the production of the maximum yield obtainable from the salmon fisheries and yet maintain them. By the maximum yield is meant the greatest production of fish which may be taken for commercial purposes without endangering the future supply. To provide adequately for this the Federation seeks to ascertain what natural fluctuations in the abundance of salmon occur; the causes of fluctuations particularly the immediate causes, though the ultimate causes should finally be determined; the intensity with which the commercial fishery is conducted and its effect on the future supply; the relative value of various measures which may be employed to prevent depletion and to build up runs already depleted"

With these objects in view, the Seattle conference discussed ways and means of collecting adequate statistics which are essential to a study of this nature. They dwelt at length upon the data which has been compiled through tagging experiments, concerning the ocean and regional migrations of salmon, and discussed in detail, questions of artificial propagation; stream surveys; improvement of spawning areas, and other equally vital subjects.

"The Seattle meeting of the federation demonstrated the value of such conferences. Every leading fishery executive and scientific investigator of the Pacific Coast States was in attendance. It was by far the most interesting and productive meeting held by the association."

INDUSTRIAL ALCOHOL MAY OFFER RIGHTS

Would Mean $4 a Share—Hiram Walker Announcement Soon

From Our Own Correspondent

MONTREAL.—The Canadian Industrial Alcohol Company is to increase its capitalization from $1,000,000 to $1,500,000, no par value shares. The increase will be placed before the shareholders at the annual general meeting on December 21.

At present, Canadian Industrial Alcohol has an authorized capitalization of 1,000,000 shares, of which 200,000 shares still remain in the treasury. The further increase in the authorized capitalization means that the directors will have 700,000 shares which may be sold for purposes of expansion. Should these all be sold at, say $20, they would net the company $14,000,000. But nothing like so large an issue is anticipated.

It is said that the Hiram Walker purchase, which is at present being negotiated, will involve a purchase price of some $12,000,000. It is understood that present plans for financing the deal call for the sale of $6,000,000 in bonds.

Will Issue More Stock

In order to obtain the remaining $6,000,000, the Canadian Industrial Alcohol could sell only 300,000 of its 700,000 shares which it will have in the treasury after the increase in the capitalization has been ratified by the shareholders.

But as the company has now 800,000 shares outstanding, there are many who believe that the new issue of 400,000 shares will be made to the present shareholders. This would mean that they would receive valuable rights and would perhaps be offered one new share of stock at, say $20, for every two shares which are held at present.

Assuming all this, it would mean that shareholders would obtain rights which would be worth $4 for every existing share which they now hold. An official announcement regarding the Hiram Walker deal is expected soon.

Commercial Finance Has Profitable Year

A dividend of 3½ per cent. on the preferred stock of the Commercial Finance Corporation has been declared for the half year ending December 31st, 1926, payable December 31, to shareholders of record December 20th. A dividend of $2 per share on the common stock has also been declared, payable December 31st to shareholders of record December 20th.

While actual figures will not be available until after the close of the company's fiscal year, December 31st, net profits of approximately $80,000 will be shown. Cash on hand and in banks will be shown at $180,000 as compared with $91,718 at end of last year. Notes receivable approximate $2,000,000, compared with $790,000 a year ago, while notes payable to bankers have increased from $488,000 to about $1,500,000. The company has 3,504 shares of 7 per cent. cumulative preferred stock issued and 6,000 common shares par value $100.

P. A. Thomson Bereaved

The sympathy of their many friends will go out to P. A. Thomson and M. A. Thomson, of Nesbitt, Thomson and Company, in the death of their father, Mr. Peter Thomson, of Hamilton. Mr. Nesbitt and other members of the firm and staff came from Montreal for the funeral, which took place in Hamilton last Friday.

CANADA STANDS BADLY IN NEED OF INCREASED ADVERTISING IN BRITAIN

(Continued from page 1)

but it is not on the scale our interests demand. We have not put the job in the hands of experienced specialists. The campaign of the Empire Marketing Board, details of which were given in a previous issue, will help to create a receptive attitude on the part of the people of Great Britain, but it will not do the specific work Canada requires.

Possibilities for Our Advertising

Every successful advertiser must figure out: (1) Has he an article of real merit; (2) Is there a good market for the sale of his product. Let us look at the possibilities of advertising Canada from these two angles.

We have a country which offers greater advantages than any other for settlers who will till our fields, develop our mines and manufacture goods from our raw products for home and foreign consumption. We have greater area than the United States and only one-thirteenth the population. We need population to fill in empty spaces, to knit together the scattered sections, and utilize railroads and other public services which have been established at enormous expense and which at slightly higher cost could serve double the present population. If an industry manufacturing a line of unsurpassed merit had a large expensive plant working at half capacity, and if there was nearby a wide open market for this product, they would be very shortsighted if they did not use every means in their power to make their goods known to these prospective buyers. Yet this is exactly our postion with regard to immigration. Great Britain has a surplus of population. She will facilitate the transference of large numbers to Canada. To secure the desirable class we want, we must, however, create an atmosphere of enthusiastic interest not only with those who are eligible but with others with whom they come in contact. In buying a motor car, a house, or a suit of clothes, a man is influenced not only by his own opinion of its usefulness but by what his neighbors and friends think of it. A general advertising and publicity campaign would accomplish this.

It is, of course necessary to make our country attractive by lowering taxation. I believe Hon. Robert Forke, the Minister of Immigration, is inclined to hold up aggressive immigration efforts till governmental expenses have been cut down, our taxes have been lowered and our cost of living reduced. He is very wise to emphasize this side of the question and while he is fighting for these things we should keep up our efforts to educate the British public to the advantages Canada has to offer. It is not a job that can be done quickly. The best results will be secured through a steady, persistent campaign over a period of years.

Need Immigrants and Capital

I need not labor this point. We know we have wonderful opportunities for immigrants and the only reason they are not crowding to our shores in embarrassingly large numbers is because we have not convinced them of the great advantages we are prepared to share with them.

We need capital for the development of our natural resources and for turning raw material into finished products. We are rich in water power, minerals, timber, fisheries and fertile fields. We have a home market with large buying power and our large and growing export business indicates the possibilities for developing in many lines. Every known success beckons others to come and do likewise. Capital is consistently looking for profitable fields for investment, but it devolves on us to tell clearly and often what we have got and to create that feeling of interest and confidence which will bring to us the capital we require.

Have Capital to Invest

In spite of her great losses, Great Britain still has a large amount of capital for investment. Heavy taxation at home makes particularly attractive, sound investments with a long pull. Shawinigan Water and Power, Price Brothers, St. Maurice Valley Corporation and other big companies have placed large blocks of their securities in Great Britain.

Judicious advertising of Canada, the steady development she is making, her great resources and stable form of government would enable investment bankers in Great Britain to build up a splendid clientele who would purchase Canadian securities and then keep adding to them.

We have not only opportunities for settlers and for the profitable investment of capital, but we are producing many things which can be sold readily abroad as their merit becomes known. Our northern climate has given to our fruits, such as apples, plums, peaches, a flavor which is at once the envy and despair of growers in other countries. Our tobacco has been supplementing that of Kentucky in the British market. Our No. 1 hard wheat makes the best flour in the world and millers in other countries are compelled to mix some of it with their own softer varieties to compete with us. We can make excellent cheese, bacon and butter, but much remains to be done to standardize the quality in these lines as well as in many others.

Our cheese won the first prize in the International Dairy Show in London in October. Our honey has been first in four consecutive years at the same show.

Save us From Depression

We have taken first place in the world in the production of newsprint, and can manufacture many silk and wood products to great advantage.

During the past five years our exports in these and other lines have saved us from a severe business depression, and with domestic business improving our further development of the export field should bring us unparalleled prosperity.

Unquestionably, we have something to advertise. It is merely a question of finding favorable markets and getting started at the job.

Great Britain has a population of nearly 50,000,000. Many of these have

(Continued on page 12)

United Grain Growers Limited

Annual Report for Year Ending August 31st, 1926

PROFIT AND LOSS ACCOUNT

By Earnings				$3,281,122.84
Consisting of Profits from Grain, Storage and Handling Charges, Farm Supplies, Dividends from Investments, etc.				
To Expenses			$1,914,756.55	
Consisting of Wages and Expenses operating Country and Terminal Elevators, Handling and Selling Expenses of Farm Supplies, etc., and General and Administrative Expenses, etc., etc.				
To Fixed Charges			689,987.93	
Consisting of Depreciation, Insurance, Taxes, Elevator Rentals and Interest on Bonds, Debentures and Mortgages.				2,604,744.48
Balance, being Profit, subject to Government Taxes, carried to Balance Sheet				$ 676,378.36

General Balance Sheet

AS AT 31ST AUGUST, 1926.

ASSETS

CURRENT ASSETS				$4,031,976.87
Funds in Bank and On Hand			$ 699,860.85	
Bonds, C.N.R. (Dom. Govt. guaranteed), C.P.R., Dominion of Canada, etc. (at cost)			758,561.25	
Advances on Bills of Lading and other Debts due to the Company			399,485.77	
After providing for estimated Doubtful Accounts.				
Stocks of Grain and Farm Supplies			743,164.50	
As per Certified Inventories.				
Miscellaneous Supplies, Accruals and Deferred Expenses			125,654.77	
As per Certified Statements.				
Stocks and Shares and Exchange Memberships			1,171,662.00	
			$3,898,389.14	
Advances to Subsidiary Companies			133,587.73	
			$4,031,976.87	
CAPITAL ASSETS				6,509,532.55
After giving effect to part of the net increase in value arising from an appraisal of the Company's properties by the Canadian Appraisal Co., Ltd.				
Elevator Buildings and Machinery, Warehouses and Miscellaneous Equipment			$6,287,405.25	
Real Estate			126,119.16	
Office Furniture and Equipment			96,008.14	
			$6,509,532.55	
				$10,541,509.42

LIABILITIES

CURRENT LIABILITIES				$1,693,368.80
Outstanding Cheques				
Outstanding Orders and Cash Tickets			$362,218.60	
Accounts and Bills Payable (including Sundry Accruals)			109,622.51	
Shareholders' Dividends			731,647.29	
			246,042.09	
			$1,449,530.49	
Deposits by Subsidiary Companies			243,838.31	
			$1,693,368.80	
NOTE—In addition to the above Liabilities, the Company is contingently liable in respect of guarantees for Bank and other Loans of Subsidiaries, etc., of $208,000.00.				
CAPITAL LIABILITIES				1,986,906.15
First Mortgage Bonds, (Maturing 1st January, 1940)			$ 914,288.71	
The amount authorized is $2,000,000.00, of which $1,050,000.00 has been issued.				
Amount Outstanding 31st August, 1925		$ 953,000.00		
Less: Redeemed by Trustee through Sinking Fund during year and cancelled in terms of Trust Deed, Article 4, Section 4		35,000.00		
		$918,000.00		
Less: Funds in Hands of National Trust Co. Ltd. as Trustee—In Terms of Certificate		3,711.29		
		$914,288.71		
Mortgages			1,000,617.44	
Debentures (Maturing 1st March 1938)			72,000.00	
Amount Issued		$87,500.00		
Less: Redeemed and Held in Sinking Fund		15,500.00		
		$72,000.00		
			$1,986,906.15	
CAPITAL STOCK				2,920,620.17
Amount Subscribed			$3,238,125.00	
Amount Unpaid			317,504.83	
			$2,920,620.17	
RESERVES				3,276,049.10
General				
Amount as at 31st August, 1925			$1,450,000.00	
Premiums on Capital Stock (Net)		$1,203,182.00		
Amount Transferred from Profit and Loss Account		1,255.00		
		245,563.00		
In terms of Minutes of Directors' Meeting, 27th September, 1926.		$1,450,000.00		
Depreciation			1,826,049.10	
On Elevator Buildings and Machinery, Warehouses, Office Furniture and Equipment.			$3,276,049.10	
PROFIT AND LOSS ACCOUNT				644,585.20
Amount Brought Forward from Previous Year			$577,602.90	
Less: Dominion Government Taxes Paid			31,783.89	
Profit for Year, Subject to Taxation			$545,819.01	
			676,378.36	
From which has been appropriated:			$1,222,197.37	
Patronage Dividend		$78,791.99		
Shareholders' Dividend at 8 per cent. per annum		233,277.18		
Transfer to General Reserve (as above)		245,563.00		
			557,632.17	
			$664,565.20	
				$10,541,509.42

Signed on behalf of the Board of Directors,
T. A. CRERAR, President.
C. RICE-JONES, First Vice-President.
Winnipeg, 12th November, 1926.

We beg to report to the Shareholders that we have audited the Books and Accounts of United Grain Growers, Limited, for the year ending 31st August, 1926, and we hereby certify that, in our opinion the foregoing Balance Sheet is properly drawn up so as to exhibit a true and correct view of the Company's affairs as at that date, according to the best of our information and the explanations given us and as shown by the Books of the Company, after giving effect to part of the net increase in value arising from an appraisal of the Company's properties by the Canadian Appraisal Co., Ltd. The quantities and values of the Stocks of Grain, Farm Supplies, etc., are in accordance with inventories and valuations prepared and certified to by the Company's officials, whilst the securities covering the investments in Stocks, Shares, and Memberships have been produced for our inspection or authenticated by certificates from the Company's Bankers, as also have the Funds standing to the Company's credit in the Banks. All our requirements as Auditors have been complied with.

(Signed) JOHN SCOTT & CO., Chartered Accountants.

LOBLAW'S BUFFALO STORES SHOWING FAIR PROFITS NOW

Issue of Preferred is for Expansion of Business Across Line

Present stockholders in Loblaw Groceterias, Inc., the New York state company which operates a dozen Loblaw stores in Buffalo and vicinity already have subscribed to more than $300,000 of the $360,000 7 per cent. cumulative preferred stock which has been offered. The stockholders were asked in a letter signed by T. P. Loblaw, president, to subscribe for one share of the new preferred for each share of common held. In instances where stockholders declined to buy further stock, Mr. Loblaw suggests that they sell out at par their 12 per cent. preferred, which carries the common with it. New capital is required for expansion and is a forward move. Some people seem to have viewed it as alarming.

This method of securing additional capital for the Buffalo venture was adopted with a view to saving brokers' commission, it is believed. It has been materially successful, although a few shareholders are said to have demurred at the proposal on the ground that they could not at this time put in additional money.

Common Held In Canada

More than two-thirds of the common shares, 2,600 in all, in Loblaw Groceterias, Inc., are held by Loblaw Groceterias, Co., with head offices in Toronto. The Toronto headquarters has been active in the management of the Buffalo offshoot and has helped in the current financing, it is understood. Incidentally, it has introduced to the Buffalo market a fine grade of Canadian cheese, which has been imported into the United States over a duty of five cents a pound and has undersold the domestic cheese. Americans prefer any other kind of cheese to their own and retailers in border towns for many years have done a surprisingly large business in this commodity with visitors from across the line.

Now Makes Profits

With control of the Buffalo company vested in the parent in Toronto, the success of the Buffalo venture will accrue to the benefit of the shareholders in Loblaw Groceteria Co. It is believed that the Buffalo stores definitely have turned the corner from monthly operating losses to profits. The red ink figures on the monthy statements recently have been replaced by black ink figures of substantial amounts.

Buffalo is said to be a difficult field for chain stores for a variety of reasons. The first Loblaw store was opened in the fall of 1924. The aggregate of initial operating losses has not been so high as was expected by 25 per cent. and it is believed that profits will be soon on a basis comparable to the profits realized from the Ontario venture.

In a business such as Loblaw's, profits are dependent on volume of trade. The additional capital is intended to extend the business in territories of the existing stores in order that the volume may be attained which will assure constant operating profits regardless of the season. Competition is keen in Buffalo but the Loblaw system and management have demonstrated ability to make progress. These factors are important but hardly less important than the facts that Buffalo and vicinity are growing rapidly and that the wage-earners have widely diversified sources of income.

Dominion Park Company Gross Slightly Off

The annual report of the Dominion Park Company, covering the fiscal year ending October 31, 1926, reveals that the gross earnings of the company were slightly lower, being $176,325 as against $185,413 during the year 1925. On the other hand, the operating expenditure amounted to $178,458 as against $199,723 during the year 1925.

Notwithstanding the higher account for municipal and school taxes, the company's deficit was reduced to $10,169 as compared with $14,310 for the fiscal year ending October 31st, 1925, which deficit was charged to the company's surplus account.

Maritime Premiers Discuss Immigration With C.P.R. Head

Recently, the three Maritime premiers met with E. W. Beatty, chairman and president of the Canadian Pacific Railway to discuss immigration into the Maritime Provinces. The photograph shows them in Mr. Beatty's office in Montreal. Reading from left to right: Premier E. N. Rhodes, Nova Scotia; E. W. Beatty; Premier J. D. Stewart, of Prince Edward Island and Premier J. B. M. Baxter, of New Brunswick.

CANADIAN MILLING INDUSTRY QUIET NOW THOUGH BUFFALO BUSY

(Continued from page 1)

ment of cereals beyond the borders of the country.

Millers in Canada do not want protection. They do not want paternal legislation. All they want now is a fair deal with regard to the export of wheat and flour to the United States. Flour mills at Buffalo this year will have ground into flour many million bushels of Canadian wheat which ought to have been ground into flour in mills on the Canadian side of the boundary. Only recently, Canadians were invited to invest in a mill at Buffalo which will be engaged largely in milling Canadian wheat for shipment to Europe. The business is growing month by month for Buffalo. In the meantime, the active capacity of Canadian flour mills is only two-thirds in use.

The United States wants Canadian wheat for its flour mills but wants no Canadian wheat or flour for its consumers. It admits Canadian wheat at a duty of less than half a cent a bushel for milling for export and charges 42 cents the bushel for milling for domestic consumption and $2.08 the barrel duty on Canadian flour imported.

Buffalo's Advantages

There are natural advantages in milling wheat at Buffalo because of the fact that Buffalo is at the foot of the upper lakes, because its elevator facilities have been developed through initiative, because its rail facilities are unexcelled and because the United States government, including the interstate commerce commission, has not hesitated by tariff enactment and railway freight structures to discriminate against Canadian wheat and flour.

The United States has no sympathy for the Canadian miller. The milling industry over the border is seeking the business and has the active support of its government. The high duty on wheat and flour entering the United States was instituted at the behest of the farmers of the Middle West, who have been weeping and wailing ever since the government took the wartime prop from under the price of wheat. But at the same time, the United States miller was given the advantage of a 99 per cent. drawback of the duty on Canadian wheat where that wheat was milled in bond for export to Europe or South America in competition with Canadian wheat milled in Canada.

Rates are Benefit

Railway freight rates from Buffalo to the seaboard for export are lower than railway freight rates from Port Colborne to the United States ports. Port Colborne is only nineteen miles farther from New York than is Buffalo, but those nineteen miles are costly. The differential of 2½ cents the 100 pounds is all out of proportion to the distance.

Canadian flour often must be shipped via New York whether it is milled at Buffalo or Port Colborne or Montreal. The export business in flour is not confined to the favored ports in the British Isles or Hamburg. From New York alone are there regular and frequent sailings to the Scandinavian ports and to ports in the Orient which annually get large quantities of flour from this continent. Even when there are boats waiting for cargoes in Montreal it is often necessary to ship the flour to New York or Boston. Then, too, Montreal is not a winter port.

On the other hand, Buffalo is at no such disadvantage in shipping to Montreal for export. It often happens that Canadian wheat brought down the lakes in American vessels to Buffalo is milled there and then shipped in American vessels to Montreal, where it is transhipped for export to Europe. The rates on this class of traffic are regulated by the demand for tonnage at the port of Buffalo for the canal trade. And the rail rates from Buffalo to Montreal on Canadian wheat are not materially higher that the rail rates from Port Colborne or Georgian Bay ports to Montreal. Canada is even kindly in adjusting these matters for its neighbor.

There are other minor advantages accruing to the milling industry at Buffalo and the milling industry will continue to benefit increasingly from this Canadian industry if something is not done to stop the trend. What is to be done? it may be asked. If an export tax is not practicable, what is the remedy?

Remedy is Suggested

Canadian millers are considering a suggested remedy which appears practicable and simple, and innocuous even from the viewpoint of radical free traders who view every suggestion for legislation to protect Canadian industry with grave alarm and vociferous protest. The suggestion is that the export duty be applied to Canadian wheat exported to the United States and the United States alone.

Here is how the plan would work:

Exporters of wheat from Canada would post bonds with the government guaranteeing the wheat exported is destined for countries outside the United States.

Wheat leaving Canadian border points would be checked against the shipper. Canadian wheat leaving United States ports for other countries would be credited.

At the end of the season, or year, the export tax would be levied against the amount of wheat which entered the United States in excess of the amount of wheat which had left United States ports for Europe or elsewhere.

Would End Evil

This machinery, it is believed, effectually would end the milling-in-bond industry which is growing at Buffalo at the expense of Canadian milers and it would not interfere in the least with the market for Canadian wheat in Europe.

This remedy is aimed at the root of ailment, which is in Buffalo harbor, and at Tacoma and Seattle, Puget Sound ports which are hoping to repeat on the Pacific Coast Buffalo's success in the East.

That the Canadian milling industry is essentially sound is indicated by the accompanying table showing the prices for preferred stocks which are listed. The common stocks also are well regarded, but the earnings vicissitudes would be materially less, it is contended, if the unfair competition from Buffalo were eliminated. So long as the United States maintains a duty against Canadian wheat and flour in the United States market, the only remedy lies either in a general export tax, against which there are serious objections, or in the specific export tax suggested in the foregoing, against which there seem no valid objections.

Range of Milling Stocks

Pref. Stocks	Par Value	1926 High	1926 Low	Close Dec. 14
Inter. Milling	100	106	98½	104
Lake of Woods	100	118	115	116
Maple Leaf	100	102	90	100
Ogilvie	100	125	117	122
St. Lawrence	100	84	79½	79½
West. Canada	100	100½	97⅝	100

Com. Stocks	Par Value	1926 High	1926 Low	Close Dec. 14
Lake of Woods	100	175	139	160
Maple Leaf	100	88	50⅛	70
Ogilvie	None	201	165½	201
St. Lawrence	100	45	26	33
West. Canada	None	25	18	24

How Canadian Millers Would Stop Milling of Canadian Wheat at Buffalo for Export

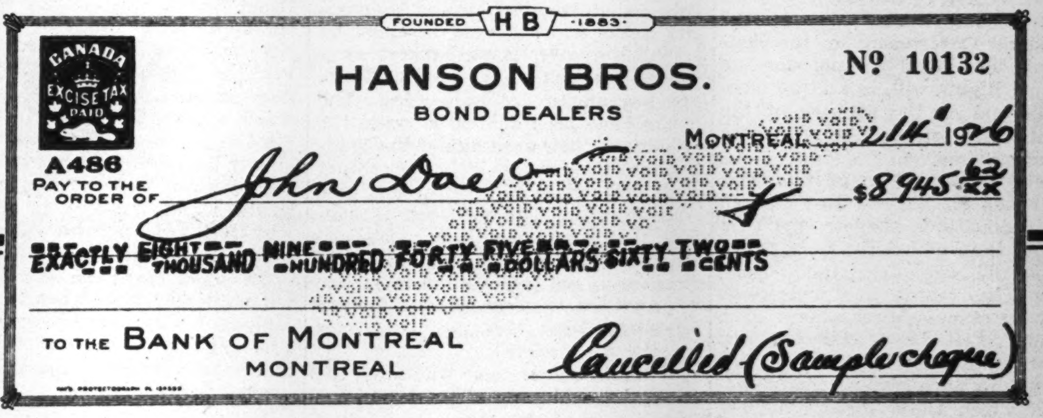
Exporters of wheat from Canada would post bonds with the government guaranteeing that the wheat exported is destined for countries outside the United States.

Wheat leaving Canadian border points would be debited against the shipper. Canadian wheat leaving United States ports for other countries would be credited.

At the end of the season, or year, the export tax would be levied against the amount of wheat which entered the United States in excess of the amount of wheat which had left United States ports for Europe or elsewhere.

DUPUIS FRERES BORROW

MONTREAL.—A $1,000,000 fifteen-year loan, bearing an average interest rate of 5 2-3 per cent., was unanimously approved by shareholders of Dupuis Freres, at a special general meeting, at which 73.3 per cent. of the total outstanding capital stock was represented in person and by proxy.



FOUNDED HB 1883

HANSON BROS.
BOND DEALERS

Nº 10132

CANADA EXCISE TAX PAID
A486

MONTREAL 2/14 1926

PAY TO THE ORDER OF John Doe $8945 62/xx

EXACTLY EIGHT THOUSAND NINE HUNDRED FORTY FIVE DOLLARS SIXTY TWO CENTS

TO THE BANK OF MONTREAL
MONTREAL

Cancelled (Sample cheque)

Note how bleaching acid has removed the ink but brought out the protective "voids." Note also that mechanical protection of the Protectograph imprint is intact.

"The Best Protection we know of"—

Say Hanson Bros., Investment Bankers, of the Todd Greenbac Checks and the Todd Protectograph.

Hanson Bros., Investment Bankers of Montreal & Toronto, and Hansons and Macaulay, Stock Brokers, are users of the complete Todd System of Check Protection—the Todd Greenbac Check and the Todd Protectograph.

Mr. Gordon Hanson speaking of the use of the Todd Checks says:—"We, of course, recognize our signed checks as currency, hence, the adoption of protective checks to safeguard our payments. We chose the Todd Greenbac Check as the best protection we know of. We believe the use of these checks and of the Todd Protectograph is sound business practice."

Exclusive Advantages of Todd Greenbac Checks

Todd Greenbac Checks are the safest known, because:

The paper itself cannot be obtained in blank. This prevents counterfeiting.

Every check made for you on Greenbac is delivered to you in a sealed package. No one can get one of your check forms from us. This minimizes the possibility of forgery.

The complicated dot pattern on the face of the check cannot be restored, once it is marred. This prevents alteration by ordinary erasure.

Beneath the dot pattern on each check are 700 imprints of the word "VOID" which flash out when ink eradicator is applied. Try it yourself.

On merit rating, Todd Greenbac receives the highest Standard Forgery Bond discounts given to any protective paper.

Todd Greenbac Checks are printed or lithographed to your order, in many colors, in standard or individual designs.

Have your Secretary send for the booklet—"The Lure of the Check." It's "being prepared" in business that makes you a good executive.

IN ONTARIO
GORDON V. PURVES
Dealer in the Products of the Todd Company,
98 Wellington St. W., Toronto.

Gentlemen:
Please send me a copy of your booklet, The Lure of the Check.

Name ....

Address ....

IN QUEBEC
THE TODD SALES CO., Montreal,
Dealers in the Products of the Todd Company.
207 St. James Street, Montreal.

Gentlemen:
Please send me a copy of your booklet, The Lure of the Check.

Name ....

Address ....

Return of the Chartered Banks of the Dominion of Canada, October 30, 1926

Made to the Minister of Finance in conformity with Section 112 of the Bank Act, Chapter 32, of The Statutes of 1923

LIABILITIES

NAME OF BANK	Notes in Circulation	Due to Dominion Government	Advances under Finance Act	Due to Provincial Gov'nm'ts	Demand Deposits in Canada	Notice Deposits in Canada	Deposits elsewhere	Bal. due to other Banks in Canada	Due to Banks in U.K.	Due to Banks elsewhere
	$	$	$	$	$	$	$	$	$	$
Montreal	47,175,989	11,593,838	....	10,525,200	148,025,292	383,241,956	94,574,081	2,346,485	1,001,953	4,950,660
Nova Scotia	15,877,324	858,040	....	939,129	29,480,422	119,734,172	33,113,449	2,223,368	170,583	2,069,245
Toronto	8,672,123	229,806	....	81,392	28,723,778	54,653,164	....	2,073,580	118,980	2,958,971
Provinciale	4,520,693	110,050	....	314,924	5,490,248	31,414,906	....	958	....	9,501
Commerce	30,174,030	2,003,373	7,000,000	3,521,686	117,149,904	218,954,842	39,871,993	512,741	4,198,931	9,612,060
Royal	41,415,283	1,663,163	10,000,000	3,979,874	150,463,982	276,372,312	163,268,097	1,631,478	300,700	15,731,342
Dominion	7,663,332	341,099	4,800,000	146,699	26,726,565	60,986,822	1,820,004	2,304,889	135,542	1,139,630
Standard	6,870,490	216,459	3,000,000	134,282	18,950,187	49,884,623	....	1,365,400	565,657	2,804,356
Nationale	12,789,969	570,411	....	1,085,593	19,932,598	84,844,440	1,138,182	8,293	143,179	754,930
Imperial	10,692,633	650,295	....	6,580,660	28,309,501	65,246,556	....	3,460,665	21,072	273,626
Weyburn Security	1,159,330	112,876	....	43,934	2,677,589	2,230,351	....	....	....	20,169
Total	187,011,196	18,349,410	24,800,000	27,353,973	575,930,066	1,347,564,144	333,785,806	15,927,857	6,656,597	40,324,490

NAME OF BANK	Bills Payable	Letters of Credit	Other Liabilities	Dividends Declared & unpaid	Reserve Fund	Capital paid up	Total Liabilities	Capital authorized	% last dividend	Loans to Directors	Average gold and Coin Held	Average Dominion Notes held	Greatest amount notes in circ
	$	$	$	$	$	$	$	$	%	$	$	$	$
Montreal	1,181,900	13,952,190	848,226	1,506,553	29,916,700	29,916,700	780,757,728	31,175,000	12	2,038,815	27,626,497	48,451,893	47,321,523
Nova Scotia	594,516	6,783,112	59,811	12,112	19,500,000	10,000,000	241,415,289	15,000,000	16	1,278,294	9,075,953	8,233,170	15,877,324
Toronto	1,497,883	1,852,792	224,308	1,694	7,000,000	5,000,000	113,088,477	10,000,000	12	677,015	427,533	5,623,716	8,672,123
Provinciale	....	7,410	11,346	5,496	1,500,000	3,995,146	47,380,680	5,000,000	9	....	181,913	266,991	4,520,693
Commerce	1,549,190	14,603,633	....	7,194	20,000,000	20,000,000	489,159,582	25,000,000	12	4,704,248	17,933,000	16,592,000	30,174,030
Royal	6,363,005	34,371,283	....	20,308	24,400,000	24,400,000	754,380,833	30,000,000	12	2,499,380	11,196,046	18,996,956	41,415,283
Dominion	148,104	4,275,506	529,581	3,633	7,000,000	6,000,000	124,021,410	10,000,000	12	562,081	2,158,000	4,291,000	7,844,176
Standard	....	312,898	147,081	145,556	2,900,000	4,823,400	92,120,392	5,000,000	12	341,616	560,953	2,775,553	6,870,490
Nationale	....	841,258	....	2,772	5,500,000	5,500,000	133,111,631	10,00.0000	10	116,540	827,634	3,228,102	12,789,969
Imperial	....	564,397	....	280,751	7,500,000	7,000,000	130,580,161	10,000,000	12	502,910	956,883	6,591,318	10,918,178
Weyburn Security	....	....	....	....	225,000	524,560	6,993,810	1,000,000	5	116,395	23,273	60,989	1,159,330
Total	11,334,598	77,564,479	1,820,353	1,986,069	125,441,700	117,159,806	2,913,009,993	152,175,000	.....	12,837,294	70,967,685	115,211,688	187,463,119

ASSETS

NAME OF BANK	Current Gold and Subsidiary Coin	Dominion Notes	Notes of other banks	United States and other foreign currencies	Cheques on other banks	Balances due from banks in Canada	Due from banks elsewhere	Government securities	Canadian municipal British and foreign Securities	Railway and other bonds and stocks	Call loans in Canada	Call loans elsewhere
	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	32,527,124	50,884,509	3,822,424	825,684	26,337,108	93,749	19,765,561	79,157,614	29,230,754	4,463,251	15,486,054	145,325,247
Nova Scotia	9,083,572	6,432,358	1,113,829	1,659,358	10,064,010	....	2,382,372	32,946,769	10,718,787	12,261,257	19,250,895	16,663,586
Toronto	443,265	5,410,880	570,005	93,053	6,460,538	....	1,749,319	19,365,603	4,546,161	3,061,712	7,553,361	....
Provinciale	171,059	241,096	623,490	100,598	1,803,241	2,491,792	314,370	4,845,837	1,301,705	4,260,377	10,769,373	....
Commerce	11,020,348	17,254,016	2,572,975	1,409,692	17,740,841	291	14,566,195	47,514,339	24,848,768	9,016,382	30,931,525	32,183,636
Royal†	11,248,997	22,453,906	4,093,820	14,201,950	30,898,997	431	25,996,679	74,087,799	26,400,850	20,581,188	29,650,389	64,597,510
Dominion	2,150,712	4,416,257	1,130,280	207,249	5,805,826	1,431	1,761,771	16,721,167	5,015,390	2,295,282	7,858,605	2,133,209
Standard	556,692	3,638,176	540,623	93,621	5,079,933	....	820,221	12,242,053	3,357,524	3,229,954	11,097,080	....
Nationale§	897,343	2,464,495	1,452,070	249,754	4,849,751	586,699	799,659	21,114,734	8,665,135	2,260,409	7,784,377	2,000,000
Imperial	963,103	10,473,959	685,017	167,223	5,845,343	507,653	4,235,706	15,846,622	5,695,434	64,832	8,427,522	5,000,000
Weyburn Security	20,167	54,214	50,285	346	81,352	1,386,976	322,399	878,093	9,314	314,441	....	....
Total	69,082,382	123,723,866	16,654,818	19,003,529	114,967,940	5,069,022	72,714,352	324,720,630	119,789,822	61,809,085	148,809,182	267,903,188

NAME OF BANK	Other current loans in Canada	Other current loans elsewhere	Loans to Municipalities and to provinces	Non-current loans	Real estate other than premises	Mortgages on real estate	Bank premises	Letters of Credit	Deposit for note circulation	In central gold reserves **	Shares of and loans to controlled companies	Other assets	Total Assets
	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	244,924,041	53,442,276	24,488,948	2,494,423	917,533	1,209,615	11,800,000	13,952,190	1,420,787	17,000,000	1,415,727	540,516	781,525,145
Nova Scotia	75,343,022	19,729,370	4,913,419	415,681	56,250	112,024	7,198,341	6,783,112	484,391	5,500,000	....	198,466	243,310,879
Toronto	52,438,465	....	3,470,750	168,521	....	211,385	3,525,942	1,852,792	256,775	3,555,866	....	....	114,734,401
Provinciale	15,687,256	....	2,294,947	138,093	449,406	106,259	1,836,735	7,410	158,400	....	....	218,514	47,819,965
Commerce	182,188,290	34,133,954	25,030,943	2,749,160	2,258,108	953,563	11,976,015	14,603,633	1,000,000	9,500,000	1,788,299	339,207	495,580,192
Royal†	193,089,043	155,187,376	9,159,605	2,610,649	2,200,720	1,382,012	14,488,330	34,371,283	1,245,000	18,000,000	2,638,587	491,474	759,076,605
Dominion	61,549,251	1,075,571	803,670	312,728	36,562	39,459	5,930,087	4,275,506	310,000	1,200,000	....	449,623	125,480,648
Standard	42,728,006	....	2,865,213	560,119	114,100	272,312	3,728,959	312,898	250,000	1,200,000	....	110,732	92,998,226
Nationale§	57,886,324	1,083,093	6,708,795	186,573	1,063,583	1,010,711	5,530,863	841,258	281,035	7,000,000	....	184,633	134,901,304
Imperial	55,186,970	....	7,122,859	251,874	634,523	550,944	4,921,660	564,397	332,730	4,004,466	....	349,363	131,832,309
Weyburn Security	2,420,092	1,681	78,615	74,753	194,578	107,614	246,224	....	27,532	700,000	....	74,119	7,032,803
Total	983,440,760	264,653,321	86,937,764	9,962,574	8,125,363	5,955,898	71,183,156	77,564,479	5,766,650	67,660,332	5,842,613	2,956,647	2,934,302,477

**Of this deposit, $26,910,333 is in gold coin; the balance is in Dominion notes.

*The business of the bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

†The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris. As the entire capital stock of the Royal Bank of Canada (France) is owned by the Royal Bank of Canada, the assets and liabilities of the former are included in the above return.—Footnote to Royal Bank return.

§The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale are included in above return.—Footnote to Banque Canadienne Nationale return.

DEPARTMENT OF FINANCE, OTTAWA, DECEMBER 7, 1926.

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Toronto, December 17, 1926

"DUNCAN PROPOSES, —"

THE ultimate action taken by the Federal Government on the findings of the Royal Commission on Maritime Rights will, in a large measure, depend on the attitude of the general public towards the Maritimes and their claims.

In any consideration of the measures which Sir Andrew Rae Duncan and his associates suggest, the first necessity is to obtain the facts which underlie the whole situation. These can not be learnt nor understood simply by casual conversations. The problems must be sought out and studied so that an informed opinion may be built up regarding the consideration which these three provinces deserve at the hands of the Dominion. And parenthetically, it can be said that the Maritime Provinces welcome any such action.

There will probably be many in central and in western Canada who at the moment will view with something akin to dismay the many recommendations of the report, but it will usually be found that such dismay will vary inversely with the amount of accurate knowledge of Maritime handicaps.

It would be well from a national view point, that critics of the Duncan Commission's findings take steps to inform themselves thoroughly on the partnership which exists between these provinces and the rest of the Dominion. This partnership which has cost the Maritimes much, both physically by a lack of opportunity to participate in the general progress which most of the country has enjoyed and, spiritually, through the loss of many of her best sons who are forced to seek employment "above the tide."

In the whole discussion which the publication of the Duncan report has elicited, one fact stands out significantly: Upper and Western Canadians who have given real thought and study to Maritime problems, appear to be agreed that the three seaboard provinces are entitled to great consideration at the hands of the Dominion as a whole.

Therefore, it behooves those who are ill-informed not to criticize these recommendations, which have been carefully thought out and devised by an unbiased commission of no mean standing—at least, until they have given personal study to the situation. When this has been accomplished, there will be few, if any, who will point the finger of scorn at the suggestions which should, if carried out, make for a contented Maritimes and a Dominion, united not only in name, but in thought.

Regarding the action which will result from the report, it is to be hoped that, by this time, general public opinion will have been formed from a knowledge of the facts and not from prejudice, so that the Government may put the findings into operation, an action which, incidentally, has been already promised the Maritimes.

The Duncan report, complete and impartial, fortunately gives to Canada as a whole a basis of facts on the Maritime provinces and their present condition which should enable public opinion concerning the recommendations to be based upon facts and not upon prejudices. Such a well-informed public opinion will enable the government to act on the report with greater confidence and assurance of support from every section of the country.

In this respect, the educational work of the Maritime newspapers and public speakers and of such institutions as The Financial Post, in informing the general public of Canada on the problems of the Maritimes, will prove to have been worth while. It has prepared the way for a better understanding of Sir Andrew Rae Duncan's vital document.

It is of the utmost significance that the report comes just at the moment when the Maritimes are beginning, despite their obvious handicaps, to sense impending prosperity. If the Duncan recommendations are largely implemented, this prosperity should develop into happiness and wealth such as the Atlantic coast provinces have not seen for decades. It will not take much now to make the Maritimes truly prosperous.

FIELD OF BANKING SERVICE

AT THE annual meeting of the Bank of Montreal, the general manager, Sir Frederick Williams-Taylor, referred to the ever-increasing number of services rendered by his bank. It has now a foreign department, a foreign exchange department, a securities department, a crop report service and a weekly business summary. It distributes handbooks on agricultural subjects to farmers and books on Canada to intending immigrants.

Just so long as the banks of Canada extend their services into fields related to banking, any extension of these services will be regarded as of a forward step. But if the banks extend into fields of service not ordinarily in the field of commercial banking, they are going to bring down criticism that may translate itself into onerous legislation, aimed at curtailing their activities.

The services mentioned by Sir Frederick are all to be commended as part and parcel of the work a bank should be doing for Canada, with a possible exception of the sale of securities. Here the service is less obvious and not naturally the function of a bank, nearly all of whom have gone into the bond business in some manner. Investment banking by our commercial banks has not been accepted by established investment bankers as a proper function of the banks. There are arguments on both sides. The banks have been able to advance the breadth of their coverage of the country and their daily, intimate contact with every class of investor and possible investor. The bond houses indicate that investment is a specialized business, requiring a background of experience and information in regard to securities, that can not be obtained by every bank manager, concerned chiefly with other problems.

While there are some who think the banks have already stepped into too wide a field of attempted service, it is doubtful if any danger point has yet been reached. The services to which Sir Frederick alluded in connection with his own bank are services that, in the main, merit the pride he takes in them. But parliamentarians are watching and so are business men in other fields and if the banks step out of what the public considers is their preserve then the protests will rise.

CUTTING ONTARIO TAXES

ONTARIO has adopted a practice worthy of being followed by other provinces. As near the close of the financial year of the province as is humanly possible, the provincial treasurer issues a statement setting forth the chief facts concerning the operations of the province during that year. The provincial year ended on October 31 and it was on December 13, six weeks later, that the taxpayers were given this summary analysis of the year's results. This is rapid work and thoroughly to be commended. The fact that the figures are not stale when they reach the public makes them more likely to be studied, makes it more definite, too, that public interest will be aroused to correct any tendencies to over expenditure.

The statement issued this week by Hon. Dr. J. D. Monteith, provincial treasurer of Ontario, is at once a reflection of the over-expenditure of the past and an evidence of the difficulties of enforcing economies in the present. Ontario developed large ideas in public services five or six years ago and gratified them by the simple enough process of borrowing the money to pay the bills; "let posterity pay" being the motto, as it is with most spendthrift governments. One might have some argument as to when the present generation leaves off and posterity begins but it is certain that the people of to-day are paying for the extravagances of only five years or so ago.

Progress is being made. Expenditures have been cut; very slightly, it is true, but the taxpayers are getting more for the money they are spending, which is an advantage not to be sneered at. If the government can accelerate its economies as in the past expenditures were accelerated, genuine gains in reducing taxation may be made.

LONDON LEARNS HOW

THE blundering Englishman has blundered nowhere more blindly than in Canada. British investors and British business firms have lost millions in Canada, chiefly through making mistakes that they would never have made at home. Belaboring the point and quoting incidents would be superfluous.

But the tradition of the blundering Englishman is that he always blunders through to success in the end and that, no matter how many bogholes he falls into, he comes out on the highroad as soon as his temper is aroused and he has had his fill of mistakes.

Apparently the Englishman is running true to form in his relationship to Canadian investments. After making every conceivable type of mistake in the investment of money in Canada and losing capital by the millions, he is learning a new way to invest in Canada. According to R. H. Collis, an English financier, now in Canada, the Britisher henceforth will send his money to Canada to be invested in soundly established Canadian companies, promoted by Canadians who know their field, and managed by Canadians who know their job. And he prophesies greater success for British investments in the future as a result of this policy.

It would indeed bring advantage all around if we could continue to attract British capital and turn it to profit for the investors who send it.

QUALITY PRODUCTION

THE market for Canada's agricultural produce lies white to the harvest, overflowing with opportunity for those who would reap therein. Hon. John S. Martin, Minister of Agriculture in Ontario, said in an address last week, that there is an immediate market for any agricultural produce that Canada can produce, if we can maintain the quality that is demanded.

Canada is second to none in the quality of her cheese, her fruits, her bacon and her eggs, but at the present time she is losing out in the British market because she is not maintaining the high and uniform standards that are demanded by overseas buyers.. Denmark is of course the finest example of a quality producer, and as a result the demand for her products far exceeds the supply. During the war her bacon trade with Great Britain was entirely wiped out, but by a careful study of the market she has once more found her way into the Englishman's breakfast and now supplies him with $100,000,000 worth a year. Last year Canada supplied only one-quarter of that amount, simply because her bacon was not uniformly good. Some of it was the best in the world, but just as much of it was trash and Englishmen are proverbially fastidious about their bacon.

The same thing can be said of Canadian cheese which when it is on exhibition has captured every available prize against world competition, but which falls down in the demands of every-day trade.

Obviously the solution lies in proper control which will demand uniform standards of quality. Ontario experimented along these lines last year with her apples and sold her shipment at top prices while poorer grades were a drug on the market, and had to be sold at a loss. Canada's opportunity is clear cut if she will take her place as a quality producer, instead of being satisfied with second or third rate produce.

ALL-AMERICAN IDEAS

IT IS becoming increasingly evident that taxpayers of the United States are not likely to contribute toward development of the St. Lawrence canal route. While Chicago and the Middle West were enthusiastic a few years ago, they now are thinking principally of the Mississippi and the so-called Lakes-to-the-Gulf waterway.

S. Wallace Dempsey, chairman of the rivers and harbors committee of the house of representatives, the man who controls the expenditures on inland waterways so long as his party controls congress, has referred to the St. Lawrence route as a "foreign" waterway which would not benefit the United States as much as it would Canada.

It is improbable that Canada will suffer materially from any development of the Mississippi route, unless the Mississippi route leads to an even greater steal of water from the Great Lakes. But it is likely that a Lakes-to-the-Gulf development would result in less water being diverted at Chicago for drainage. Navigation wants no rushing streams. The existing canal is almost a torrent because there is a power development at Lockport, Ill., a few miles south of Chicago. This development gives the sanitary commission a source of revenue out of which it can afford to pay its formidable array of experts who always are so strangely unanimous.

From another Lockport, in New York state, near Buffalo, comes the chairman of the rivers and harbors commission, Mr. Dempsey. He is interested in the development of power over the Niagara escarpment. All his fellow citizens in Lockport and elsewhere in his electoral district also are interested in electricity developed in the old home town where the canal boats are lifted or lowered more than 100 feet. This explains Mr. Dempsey's interest in the so-called All-American route from Lake Erie to the Hudson.

Proof that Mr. Dempsey is a real politician is the fact that he favors this route although United States engineers repeatedly have reported the All-American ship-canal route barely feasible from an engineering viewpoint and immensely impracticable from an economic viewpoint. New York state has more than $200,000,000 invested in its barge canal and has only a nine-foot channel.

NOT ONE of the premiers of any British nation has a title.

* * *

PICTURE of a gorilla with a group of native Central Africans is now running in a number of papers. The gorilla, it should be explained, is the one in the centre of the picture.

* * *

COMMERCE and Finance, New York remarks:

"Now that they have taken out the word 'united' it is not at all impossible that Great Britain and Ireland will really become united as never before. The English always were great for the thing rather than the name."

British Capital Will Invest in, Not Promote Canadian Enterprises

More British capital has come to Canada in the past few years than is revealed by any compilation of statistics regarding new security issues offerred in the London market. This is the opinion of R. H. Collis, partner in the London banking firm, or "issue house" of Kitcat and Aitken, who is now in Canada, in connection with his firm's extensive interests in this country.

The full extent of the present flow of British capital to Canada is not revealed, according to Mr. Collis, because a great many British investors are buying good Canadian securities, with which they have become familiar, through the ordinary channels of the Canadian stock exchanges. New issues are not being made to the full amount of the investment of British capital here. Speaking on this subject to The Financial Post, Mr. Collis mentioned Price Brothers as an instance. About two years ago his firm has offered Price Brothers securities in the London market. Since then the holders of these securities and other British investors had been gradually accumulating additional Price Brothers securities and had greatly increased the original amount of their holdings.

Has Marketed Millions

Mr. Collis' firm has placed many millions of dollars worth of Canadian securities in the British Isles. Alone, or associated with other British and Canadian houses, they have interested British inventors in such companies as Kaministiqua Power, Cedar Rapids Power, Shawinigan, B.C. Electric, St. Maurice Power, St. Maurice Valley Corporation, Port Alfred Pulp and Paper Corporation, Quebec Power and Price Brothers.

"The appointment of the Rt. Hon. Reginald McKenna to the board of directors of the Canadian Pacific Railway was a move of great importance to both Canada and Great Britain" in Mr. Collis' opinion. "He is without doubt the foremost London banker and will be a strong factor in giving British investors the necessary confidence in Canadian possibilities. He is a most thorough man and you will find that he will come to Canada to see for himself what this country offers. And any one who comes to Canada to see for himself the resources of this country must be impressed with the excellent opportunities for the profitable employment of English money here.

More Capital In Canada

"McKenna's appointment was widely commented on in Britain and the article on Canada that appeared in the Midland Bank Review about the same time was quoted far and wide in the British Isles. These two events, synchronizing by a happy chance, definitely swung the trend of opinion in Britain over to the side of Canadian investments and we may expect to see British investors taking a larger part in Canadian development.

"There is not much buying yet of Canadian gilt edged securities in the London market. This is because the yield on Canadian government and municipal debentures does not compare with the yield the British investor can obtain on securities that have an equal appeal to him; home rails and South African or Australian bonds, for example.

"The sting of the colossal losses of British capital in Canada still remains but there are many in Britain who realize the mistakes that British business men and investors have made in Canada and they do not all blame Canada itself for their losses.

"In the future the tendency is going to be for the British investor to place his money in established Canadian enterprises, leaving the promotion and management to be done in Canada by those most closely in touch with the situation. This will avoid the serious losses of British capital that have marked the financial relations of the two countries in the past. It must be admitted that the British have rushed in blindly in Canada, in too many instances making blunders that should never have been made and which will be avoided if trust is placed in the best Canadian brains.

Does not Seek to Manage

"Our firm, for instance, will not invest in any Canadian enterprise unless it is convinced of the absolute ability and reputation of the management and the directorate. Then when we do invest we do not aim to hold control nor dictate as to management. We are not even represented on the boards of the companies we finance. We choose companies with good management and then recommend our clients to invest in them. We have always pursued this policy and have thus avoided losses. This is the course most British investment firms are likely to follow in the future. They will put their clients into sound Canadian concerns in which they have faith rather than attempt to create new companies. It will be investment rather than promotion.

"The Canadian securities that have been sold in Great Britain in the past few years have been well placed. They are in the hands of investors who will continue to hold them and add to them so long as earnings increase satisfactorily.

British and Canadian Methods

"British investment habits differ materially from the practice in Canada. In the first place, when an issue of securities is sold in England it really is sold. There are no large blocks coming back on the market to upset price levels and no buying by large firms for speculative selling. The London issue house takes pride in looking after the securities it endorses, seeing that they are all well placed.

"We have no bond salesmen in the old Great Britain. Investors attach themselves to one good investment house, go to that house for a recommendation when they have money to invest and stick with it so long as it makes money for them. This gives a large opportunity to a firm such as our own, which has been built up on Canadian securities, to induce sound investors to make sound investments in Canada."

Mr. Collis expressed himself to The Financial Post as exceedingly optimistic on the possibilities for the investment of high amounts of British capital in Canada and also voiced his unbounded faith in the future of the Dominion.

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W. R. Drynan, Bank Clerk, Now Canners' Executive

The founder of the Armour packing interests was once asked why he went into the packing business, and replied that it was because people had to eat three times a day whether times were good or bad. Perhaps that was the reason why William Rapley Drynan, now 2nd vice-president and general manager of the Canadian Canners, Ltd., Hamilton, Ont., decided to drop out of the banking business, and later decided to devote his future energies to helping to feed the Canadian public. So states a staff writer in a sketch of Mr. Drynan he has written for Canadian Grocer.

W. R. Drynan spent his early days in the little town of Strathroy, in Western Ontario, was educated at public schools and Collegiate Institute, and completed his education at the London Business College.

The youth returned to Strathroy and went to work in his father's store, where he gained valuable trading experience. When he was 18 years of age, he secured a position in the Wallaceburg branch of the Traders Bank, and young Drynan was glad of the opportunity to embark in the banking field. The Wallaceburg Branch was closed owing to poor business and he was transferred to Tillsonburg. At that time it was the height of every young man's ambition to become a banker, and bank clerks had a social standing far above that enjoyed by young men employed in retail stores. Becoming restless on a salary of $100 a year, young Drynan made application to the Canadian Bank of Commerce, was accepted and went to his home town of Strathroy, where he worked until he reached the teller's cage, when he was moved to Walkerton. After a few months there he was promoted to the Simcoe Branch. As it was the policy of the banks to transfer their clerks around to the various branches in order that they might gain an all-around knowledge of the country, and become acquainted with all the various classes of trade. W. R. Drynan was in turn moved to Walkerton, Guelph, Simcoe, Toronto and Montreal.

W. R. DRYNAN,
Second Vice-Preident and General Manager, Canadian Canners Limited, Hamilton, Ont., advanced from clerk in his father's store to his present position.

Gives up Banking Career

During the course of his travels he discovered that the life of a bank clerk was not as rosy as it had appeared when he first went into the bank, and about that time an opportunity arose to obtain a more lucrative position. An English firm, the Electric-Reduction Chemical Co., were opening a branch for Canada at Buckingham, Quebec, and were glad of the opportunity to secure the services of a young banker thoroughly acquainted with business conditions in Canada. He remained with the chemical company for five years.

During the period of his stay at the Simcoe branch of the Canadian Bank of Commerce, he had become acquainted with Miss Innes, whose father, Wm. P. Innes, then operated the Simcoe Canning factory, and was one of the pioneers of the canning industry in Canada. In 1898, young Drynan felt he had established himself firmly enough in the business world to support a wife, and was married to Miss Innes. The canning factory at Simcoe had expanded so greatly that Mr. Innes had to have additional help in the office, and he invited his son-in-law, who had just the kind of business experience and training he desired, to move to Simcoe and take charge of the sales.

Becomes Canners' Sales Manager

When the canning industry was centralized by the formation of the Canadian Canners Consolidated Co., in 1903, in order to market the output of the canning factories in a more regular manner, he was called to the head office at Hamilton, and placed in charge of sales. Under his supervision the pack of the various canning factories was estimated, and

(Continued on page 11)

The
Alberta Pacific Grain Co.
Limited

6% First Mortgage Sinking Fund
Gold Bonds

Dated June 1st, 1926 Due June 1st, 1946

Price: 98 and accrued interest, to yield over 6.15%

We recommend these bonds for the following reasons:

1. The Alberta Pacific Grain Company is engaged in Canada's most important basic industry and is one of the largest and oldest companies of its kind.
2. Total net tangible assets as at June 30, 1926, amounted to over $2,540 for each $1,000 bond of this issue.
3. Net earnings, after depreciation and taxes, for the year ended June 30th, 1926, were over four times interest requirements on this issue.
4. The Company's management is efficient and of long experience in the grain trade.

Write for descriptive circular

R. A. DALY & CO.
BANK OF TORONTO BUILDING
TORONTO
Members Toronto Stock Exchange

International
Milling Company

7% Preferred Stock

Circular dealing with the progress of the company over a period of years has been prepared. This deals with the progress, particularly from the standpoint of earnings, assets, working capital, profit and loss surplus and reserves, all of which have shown substantial progress for many years.

Many Canadians are interested in International Milling securities and the bulk of the preferred stock is held in Canada. The holders of the stock who have received annual statements year after year are thoroughly familiar with the fine progress made by the Company. The character of the preferred stock prompts us to draw more general attention to its investment merit.

Full descriptive circular on request.

A. E. AMES & CO.
LIMITED

Investment Securities

53 KING STREET WEST TORONTO
TRANSPORTATION BLDG., MONTREAL
BELMONT HOUSE, VICTORIA, B. C.
LONDON BLDG., VANCOUVER, B.C.
11 WALL STREET - NEW YORK
GRESHAM HOUSE, OLD BROAD ST. LONDON, E.C.2, ENG.

Business Established 1889

Your Investments

Investment questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published in this column. We cannot extend this service to non-subscribers. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply.

Niagara Fire

We will appreciate having you advise us if the Niagara Fire Insurance Co. is a safe company to insure in.

This company is one of the strong moderate-sized American companies which operate in this field in Canada.

The chief agent of the company in Canada is W. E. Findlay, Montreal.

The capital of the company is $3,000,000; its surplus $5,000,000; other liabilities $12,600,000 against total assets of $20,000,000 of which $19,000,000 are ledger assets. Of this amount, the assets held in Canada are $634,000 of which $501,000 (market value—the par value is $475,000) are directly held against Canadian policies Liabilities in Canada are $233,000. Net premiums written in Canada during 1925, were $422,000 of which $342,000 were for fire and $76,000 for hail insurance. Losses incurred against these were $200,000. The company's total premium income for the year was about $12,000,000.

As it is licensed to operate here, it may be regarded as safe to do business with.

Bonds or Stocks

I have some $6,000 lying idle in the bank which might be placed to better advantage. Personally I am not dependent on the income to be derived from the investment of this sum. My heirs will obtain all the benefit. I am now in need of disinterested advice both as to the proper time to buy, and also what securities to purchase.

You might be well advised to place your $6,000 in bonds instead of stocks; at least, for the time being, With the one exception of foreign government loans, all gilt-edged bonds are to-day selling on a yield basis of below 6 per cent. However, If you confine your investment to the best grade of common stocks, you will, in the long run, obtain an appreciation in market value.

Some of the stocks which we would recommend for a long hold include, Royal Bank, Canadian Salt, Ogilvy Flour, Bell Telephone, Montreal Light, Heat and Power Consolidated, Shawinigan, C. P. R., Montreal Trams and Sherwin-Williams.

Over a long hold, all these stocks give indications of an appreciation in value.

Lloyds in Canada

Would you kindly give us the address of the head office for Canada of "London Lloyds" also the address of the Toronto branch of "London Lloyds." If possible, we would appreciate your advising us if they operate in Northern Ontario.

Lloyds have no branches or agencies for the solication of business anywhere in the world.

All enquiries of this nature should be sent direct to London. However, there is a firm which has a connection with Lloyds, and might be able to be of some assistance to you. This firm is Smith & Walsh, Insurance Brokers, 27 Wellington St., E., Toronto.

If it is a claim that you want adjusted, Lloyds have agents for this purpose in most of the important Canadian cities.

As far as Northern Ontario is concerned, we believe any adjustments would be handled through the Toronto representatives, which are Lambe & Co., 24 Front St., E. This firm looks after the adjustment of any losses or damages incurred under a Lloyd's risk.

Bond Exchange

I now hold $8,000 Dominion of Canada, 5½ per cent. bonds maturing in 1932. Would you please advise into what securities I could exchange these bonds so that I may obtain a somewhat bettered annual income and also profit by a cash balance at the end of such an exchange. I primarily am interested in the security of my holdings.

We judge from your letter that the $8,000 which you have for investment must be applied to gilt-edged securities only. In other words, you probably have some other portion of your investment funds in first-class common stocks which give every indication of some appreciation over a term of years.

At present prices, your Dominion of Canada bonds are yielding you about 5.01 per cent. Your problem is simply to acquire a higher yield and yet maintain the safety of your holdings. Of course, the yields which bonds return to the investor indicate in a broad way the security of the principal. The higher the yield, the more speculative the bond.

You cannot obtain a higher yield with equal security, but a list of high-grade bonds which will give you a little higher return on your money. You should not put all your eggs in one basket—in other words, invest the whole of your $8,000 in any one of these securities, but you should diversify your holdings as much as possible. There are many other bonds which would interest you. There are many first-class municipal bonds.

The list which we are attaching shows some of the many, many bonds which would interest you. You will see from this that the yields on gilt-edged securities are gradually declining.

Perhaps it would be as well for you to consult any reliable investment or stock exchange house; we would gladly pass on to you the information affecting the various holdings which they suggest.

			Yield
Newfoundland	1943	5½%	5.2%
N. Canada Power	1945	6 %	5.9%
Gatineau P. Deb.		6 %	6.0%
Asbestos Corp.	1941	6 %	6.0%
Canada Cement	1929	6 %	5.2%
Montreal Tram.	1955	5 %	5.5%
Winnipeg Elec.	1954	6 %	6.0%
Ottawa Traction	1955	5½%	5.5%
Maritime Telephone & Telegraph	1941	6 %	5.8%
Dom. Textile	1949	6 %	5.6%

Sterling Coal

Would you kindly give me your opinion on Sterling Coal stock? Do you consider it a reasonable purchase at the present price as a business man's investment?

Sterling Coal Co. is reasonably well managed and has shown some profits in good years, especially from its West Virginia mines. It is subject, of course, to the usual vicissitudes of the coal mining industry, but it is well financed and has made considerable progress in retiring bonds which were floated in 1910. Investment in the stock of the company at the present level of about 38 may be profitable and may be classed as a business man's investment.

Dominion Combing Mills

What is your opinion of Dominion Combing Mills? We cannot get much satisfaction from the company.

Apparently the prospects for early dividends from stock in Dominion Combing Mills, Trenton, Ontario, are remote. The factory is reported to be fairly busy. The earnings cover operating costs and leave something over, but evidently the policy of the company is not to distribute any earnings for the time being.

We understand that there is something due the bank, but the company does not reveal how much. This bank loan, of course, would interfere with any dividend payment. There is a small prospect of a readjustment in the tariff, which will increase the earnings of this and other companies.

Besco Preferred

What do you think of the second preferred of the British Empire Steel Corporation as a speculative hold for a year or two?

We do not think of the second preferred shares of Besco as a speculation—we think of them as a gamble. Moreover, if you wish to gamble in the securities of the corporation, we believe that perhaps the first preferred shares might be a better buy than the second preferred shares.

Besco has almost $50,000,000 in second preferred outstanding, but the corporation only has some $8,000,000 in first preferred outstanding. The market valuation at present prices, of the first preferred, amounts to only $1,600,000.

The British Empire Steel Corporation still owns outright the Halifax Shipyards, which is capitalized at $8,000,000, and on which there is no funded debt. Provided there are no further labor troubles, the corporation will always obtain sufficient earnings from its subsidiary, the Dominion Coal Company, wherewith to meet the bond interest of that company. Thus, Besco does now, and probably always will, control the Dominion Coal Company, which, to our way of thinking, is one of the chief fundamentals upon which the entire coal and steel industry in Nova Scotia is based.

The future course of both the first and second preferred shares on the market depends on the outcome of the reorganization plans which Besco is forming at the present time.

The future market trend of both these securities is so speculative that we would not advise you one way or another in this matter.

Dominion Iron

I hold £300 of the Dominion Iron and Steel collateral trust, 5 per cent. bonds due 1939, and selling around 29. As there seems little or no immediate possibility of the payment of bond interest on this issue, would you advise me to sell these bonds and to purchase Algoma Steel 5 per cent., first and refunding bonds at around 30? I understand that the company has not yet defaulted on its bond interest and, according to present indications, there is no reason to believe that the interest will not be met in the future. I shall appreciate your opinion on this switch very much.

We are not impressed with your suggested switch from Dominion Iron to Algoma Steel bonds. The latter company made an operating loss last year, and while the bond interest was paid, it was not earned.

Broadly speaking, the outlook for the future of the Dominion Iron looks to us to be as satisfactory as that of the Algoma Steel. However, both issues are very, very speculative, that we would hesitate to give an opinion either way.

Reorganization plans of the British Empire Steel Corporation are progressing. In due course, all the various classes of security holders in the corporation and its subsidiaries, will probably exchange their holdings for new securities. Probably, you will have your holdings drastically scaled down.

By selling your Dominion Iron and Steel bonds, and purchasing Algoma, you would not be bettering your position in any way. Neither issue looks particularly attractive, and if you wish to speculate, you would be better advised to speculate in some common stock, which gives every indication of appreciating over a term of years, rather than buying a bad bond.

You are optimistic when you say Algoma's interest will be met in the future. Only the future will reveal the truth of that statement and in the meantime the company is not earning sufficient to meet the interest requirements, even though payment has been made.

Davies "B"

In the event of the William Davies Co. refinancing, what likely effect will it have on the B stock? I understand the majority of the B shares are in the hands of those closely connected with the concern.

There have been continual rumors of refinancing the Wm. Davies Company. If it is true, as it probably is, that the company has been buying in the "A" shares with a view to refinancing, it is possible that the position of "B" holders would be improved somewhat. Despite its trade difficulties, the company has maintained a fairly strong financial position and there is reason to hope that the financial report of the year ending next December 26 will show a considerable improvement over last year. There is a fair market for "B" shares at around $10.

Brantford Cordage

Why should Brantford Cordage be selling below par? I have been thinking of selling Loblaw's and buying Brantford Cordage, but fear there is a reason for it being below par.

Brantford Cordage has been suffering from imports of its product from European countries. Its profits for last year were about half of the profits of the previous year. This probably is the reason the stock is selling below par, although the dividends have been kept up.

Presumably you contemplate selling Loblaw's because of the fact that Brantford Cordage pay 8 per cent and Loblaw's 7 per cent. The difference in the return is so slight, that probably the transaction would not be any too profitable. Loblaw's is a groceteria company which is doing very well. Its prosperity, moreover, is not dependent to any degree on the tariff.

National Accounting

Two years ago we purchased first mortgage bonds and common stock in Simplified Accounting Systems, Ltd. We understand that the name has since been changed to National Accounting Systems and that new stock is to be issued. Does this change have any effect on the value of the stock? What are this company's prospects as you see them?

Some weeks ago the Simplified Accounting Systems, Limited, became the National Accounting Systems, Limited. We understand from the head of the company that the equity of the mortgage bonds and common stock has not been impaired by the change. We also have been informed that some new capital has been put into the company and that an expansion program is contemplated. Whether or not this is successful remains to be seen. The product of the company, which provides accounting for small business men who cannot afford the services of a chartered public accountant, is of some value, and provided there is adequate salesmanship in the organization, the prospects of the company appear fairly bright.

Brooks Steam Motors

Agents have been in this district selling Brooks Steam Motors at around $135 per unit. Is this the same stock that is selling on the market for $6? If not, what is the value of the $135 unit?

The Brooks Motors Co. are offering 10 shares of preferred and 8 shares of common at $135 per unit. Mr. Brooks himself tells us that the present market value of the common is from $3 to $5 per share. He says at the same time that there is no market at all for the preferred. The buyer of lapsed units, so called, is contracting to pay $135 for 8 shares of common, which are worth at the extreme outside $40, or $5 each, and 10 shares of preferred, for which there is no market.

Tufts Manufacturing

You were good enough to give me some sound advice regarding Brooks Motors, so now I ask you about the Tufts Manufacturing Co. of Saskatoon (late of Delisle, Sask.), as an investment. I understand they are starting a company here with a number of patents?

So far as we have been able to learn, the Tufts Mfg. Co. is in the realm of speculation. We are led to believe that Mr. Tufts has some patents which may amount to something and on which he eventually may make some money. But there is a long period of development between the article being patented and the marketing of the product. At the present time, there do not seem to be any assets behind this company. In view of this, the company cannot be considered a conservative investment.

Diversification—A Sound Investment Plan

When the large investment interest and dividend payments are made at the beginning of the New Year, every investor will wish to carefully select a well-diversified number of individually sound Public Utility, Industrial and Real Estate Bonds and Preferred Shares for the immediate reinvestment of his available funds.

At the same time, he will find it wise and often profitable to make a methodical revision of present security holdings, in order to take advantage of possibly more attractive offerings.

We recommend the following representative securities from our current list:—

Acadia Sugar 6% First Mortgage Bonds.
Alberta Pacific Grain 6% First Mortgage Bonds and 7% Preferred.
Canada Steamship 6% First Mortgage and General Mortgage Bonds.
Fraser Companies 6% First Mortgage Bonds and 7% Preferred.
International Paper 6% Debentures.
International Power 7% Preferred (carrying a bonus of one share of Common with each share Preferred),
London Realty Company 6½% First Mortgage Bonds.
Newfoundland Light & Power 6½% First Mortgage Bonds.

Descriptive circulars, containing interesting information on these and other companies, gladly forwarded on request.

Royal Securities Corporation
LIMITED
164 St. James Street, Montreal
Toronto Winnipeg Halifax Vancouver Saint John New York Quebec

FOLKS and Finance

T. P. LOBLAW, the aggressive and successful head of the Loblaw Groceterias, has a blackboard hanging in his office. Daily that blackboard comes in for numerous uses. If Mr. Loblaw is explaining a complicated financial proposition, sketching out a lay-out for a new store or in some other way explaining to a visitor or associate a point that can be grasped through the eye as well as the ear, he steps over to the blackboard and uses chalk to help make his meaning clear. In an office conference, its uses are manifold.

The blackboard is to be expected of Mr. Loblaw, who has added to the success of his business by recognizing the part of the eye in absorbing impressions. Everything in his groceterias is planned to get across powerful visual selling arguments.

POST-Scripts

IT IS hardly a front page newspaper story that the entire "women's ticket" was returned in the municipal elections in an American town. We read too of an American newspaper that turned one entire issue over to the women of the city and let them edit it from throughout, writing the editorials, covering the news, reviewing sport (the sporting editor confessing in print that she had never seen a boxing match) and even doing the desk work. Evidently the results were better than those achieved in Irvin S. Cobb's imaginative story of a similar incident.

A magazine writer declares that "women's legs are no longer news" but just as truly the fact that women have brains and can use them effectively is no longer news. The "new woman" is no longer new. She is a definite force accepted in business and politics and who can say that our homes have suffered?

Yet how rapidly has the change come! It is only about a dozen years since the story went the rounds of all the joke columns about the Y.M.C.A. uplifter who was addressing a gathering of university young men. He said to them: "Boys, is there one man here who stoops so low as to go any place where he would not take his mother or his sister?"

One young man confessed audibly that he did.

"And where is this awful place?" asked the speaker.

"The barber shop."

How times change!

W. R. DRYNAN, BANK CLERK, NOW CANNERS' EXECUTIVE

(Continued from page 10)

the output spread evenly over the twelve months of the year, instead of the old practice of each canner trying to sell his annual output each fall before the other fellow, and shading his price to clear out his yearly pack at the earliest possible date. He was in turn appointed to assistant secretary, assistant secretary-treasurer, and secretary-treasurer. In 1910 the name of the company was changed to Dominion Canners, Ltd., owing to various consolidations, and in 1923 the name was again changed to Canadian Canners, Ltd., under which name it is now operating. W. R. Drynan had by this time advanced to be second vice-president and also filled the position of general manager. During the period he has been connetced with the business, it has grown from a mere consolidation of a few canning factories to an organization operating about 90 factories, also can plants, machine shops, shook mills, several farms, etc., putting up a complete line of canned food products, supplying not only the Canadian trade, but supplying many important foreign markets.

Keeps in Touch With Canneries

During the period when he was advancing steadily to higher and more important positions in the organization, W. R. Drynan picked up all the knowledge he could about the practical side of the canning business. Even to-day, he keeps in close touch with every canning factory in the organization, and at frequent intervals takes flying and unexpected motor trips to the canning factories to see that every little detail is being attended to perfectly, so that the quality of the product will be as near perfection as it is possible to attain.

As general manager of an important food packing company, it is necessary for him to travel extensively to keep in close touch with the latest developments in food canning, not only in the United States, but in Europe and other parts of the world. Years ago he visited South Africa to introduce Canadian canned milk to the mines. During each year he covers every portion of Canada to observe local developments and to watch for new markets that can be opened up for the canned foods put up by his company.

He has been president of the Hamilton Rotary Club, of the Canadian Club, of the Chamber of Commerce, and chairman of the Hamilton branch of the Canadian Manufacturers' Association, and at present is vice-chairman of the Ontario division.

Will Securities Advance?

What factors are most likely to affect security prices in 1927?

The Greenshields Review, now in the fifteenth year of publication, presents in the December issue a summary of conditions which is important to any investor. A copy will be sent on request.

Write to Dept. 4

Greenshields & Co

Members Montreal Stock Exchange

17 St. John St., Montreal
also Mount Royal Hotel Building

TORONTO 14 King Street E.
OTTAWA 46 Elgin Street
QUEBEC 80 St. Peter Street

49

Wood, Gundy & Company
Limited

Investment Bankers
for
Governments
Municipalities
Corporations

Woods Manufacturing Company, Limited

Jute and Cotton Bags
Hessians, Buckrams
Paddings and Twine

Tents
Flags
Tarpaulins
Clothing and Cotton Fabrics

FACTORIES AT
MONTREAL, TORONTO, OTTAWA
WINNIPEG, WELLAND

HEAD OFFICE:
MONTREAL

THE NATIONAL CITY COMPANY
CANADA

Canada Steamship Lines

6% First and General Mortgage Bonds
Due October 1, 1941

Principal and semi-annual interest (April 1 and October 1) payable at the option of the holder in New York, Montreal, Toronto or London (at parity of exchange) in gold. Coupon bonds in denominations of $500 and $1000, registerable as to principal only in New York and Montreal.

Canada Steamship Lines Limited is the greatest inland-water transportation system in the world. With its fleet of 109 vessels, its passenger and freight terminals, docks, warehouses, hotels and coal-handling facilities it is completely equipped to handle, in addition to passengers, bulk and package freight of all kinds.

The Company's securities ranking junior to this issue have a present market value in excess of $15,000,000.

Price at market to yield over 6.20%

Upon request we will forward a circular giving full particulars of this issue, and also the December edition of our monthly publication "Investment Securities," containing a complete list of our current recommendations.

The National City Company
Limited
Head Office—St. James and St. Peter Streets—Montreal
10 King Street East, TORONTO
204 Blackburn Building, OTTAWA
71 St. Peter Street, QUEBEC

180

CANADA STANDS BADLY IN NEED OF INCREASED ADVERTISING IN BRITAIN

(Continued from page 8)

enormous permanent incomes from foreign investments and trade. We are selling to them over half a billion dollars' worth of goods. This, however, is only about 8 per cent. of their total imports.

Do we realize the vastness and immensity of this market? It is four to five times as great as our own. If we sold to Great Britain all our exportable surplus of apples they would only last them one week. They consume annually bacon, pork and other hog products to the value of about $325,000,000. Our exports in this line are less than 10 per cent. of their requirements.

Best Brains Must be Used

In working out a publicity campaign it is of prime importance to remember that the services of an advertising and publicity counsel are essential. Advertising is just as much a specialized business as engineering, law, accountancy or architecture. The best advice should be obtained. The small cost will be saved many times over in elimination of wasteful methods and in getting maximum results from money expended.

I believe one firm should advise on the whole matter, although separate campaigns for various lines might be in the hands of different men.

Co-operative campaigns have been financed by making a small assessment on each article sold. This is the plan the orange growers and raisin growers of California have followed. Australia has also adopted a similar policy with its fruit. This plan has the great advantage of increased appropriations being financed by increased sales.

I need not go into details in suggesting advertising campaigns which should be carried on profitably. Advertising experts in conjunction with the publicity manager could work this out. General advertising campaigns on Canada, and such classes of products as apples, plums, cheese, honey, etc., would encourage and render more effective campaigns by individual firms for their own specific brand.

Would Also Bring Settlers and Capital

There is this further important consideration: All these advertising campaigns would prove very effective in helping to secure settlers and capital.

A very important function of the publicity manager is that of press agent. He must have a thorough understanding of the kind of news, readers of newspapers want. He must be ever on the alert to bring to the attention of the press matter in which they will be interested. He not only takes advantage of situations which are occurring, but he creates situations which will give an opportunity of getting information into the press.

An important Canadian business man, or it may be a member of the Dominion or provincial cabinet, visits Great Britain. Our press agent sees to it that he is booked to speak wherever it will do the most good. He goes even farther and suggests something which he may work into his address which will catch the public imagination. He is able to do this because his years of training have enabled him to size up just what would interest the general public.

Every day something is happening which will furnish grist for his mill. For example, Rt. Hon. Reginald McKenna, former Chancellor of Exchequer, and one of the outstanding financial men in England, was elected a director of the C.P.R. This gave an opportunity for getting into the press articles on the C.P.R. and on Canada. A few days after Mr. McKenna's appointment, an article on business conditions in Canada appeared in the bulletin issued by the Midland Bank, of which Mr. McKenna was president. This article was widely quoted and the public jumped to the assumption that Mr. McKenna was the author of it. It was a mere coincidence that the appearance of this article synchronized with his election to the directorate of the C.P.R., but it is the kind of thing an able and resourceful press agent would plan.

Sir Hugh Dennison, the Australian Trade Commissioner in Washington, gave an interview in the press on his arrival in New York the first of this month. He stated Australia would build a high tariff wall like that of the United States, but suggested that the United States could get inside in return for reciprocal privileges. Sir Hugh Denison is an experienced newspaper man, and this announcement strikes me as having been very definitely planned with a view to preparing the way for Premier Bruce, who will arrive in New York the end of December. It also secured for Australia much publicity in newspapers in Great Britain, United States and Canada. It was cleverly staged and following immediately after the close of the Imperial Conference, gave it a significance it would not otherwise have had.

So much for the positive; the negative side is no less important.

Negative Side of Publicity

I believe the old Grand Trunk management, itself so culpable, was permitted to poison the sources of public information abroad to Canada's very great prejudice, while the case for Canada was permitted largely to go by default. As a result, the Dominion, which by its action preserved to the British investing public the bulk of its investment in Grand Trunk and Grand Trunk Pacific (which otherwise might have been lost) has never received the credit due its great financial sacrifice, and will probably always carry an undeserved stigma in that connection. This could have been largely avoided by earlier appreciation of the possibilities for harm of Grand Trunk propaganda.

A good press agent would have the ability to sense the implications involved in unfriendly references on the platform and in the press, and he would have the judgment, information and experience necessary to deal with them promptly.

He could also spike the guns of those fakers, who mislead the British public by exaggerated statements, and load them up with certain mining stocks and other securities which never had a chance of success. Every misrepresentation of this kind makes it more difficult for reputable firms to sell good Canadian securities.

Stage "News" Situations

Newspapers in Great Britain will use more matter issued by the press agent of a large advertiser than would be the case in either Canada or the United States. I am not suggesting, however, that Canada's press agent should supply stereotyped matter to newspapers, but that he should stage situations which newspapers would be glad to cover, and that he should suggest timely articles which editors would feel were of real interest to their readers.

Australia and South Africa have

(Continued on page 13)

News of Investment Markets

STILL MORE NEW FOREIGN ISSUES ARE INTRODUCED

Canadian Investors Share in Further Such Bonds

Three new foreign borrowing corporations, two of them quasi-public bodies, and one a government, were introduced to Canadian investors this week.

The education of the Canadian investor in the purchase of foreign securities proceeds apace. Yields that he can obtain on such securities are not as great as a few months ago, although 7.40 per cent. was the basis on one issue this week, which received an excellent welcome.

Province of Buenos Aires

Several Canadian houses were in the syndicate that offered $24,121,000 of bonds of Province of Buenos Aires over the week-end. These houses were Royal Securities Corporation; McLeod, Young, Weir and Company; R. A. Daly and Company; Bell, Gouinlock and Company, and Matthews and Company. The issue aroused keen interest.

Province of Buenos Aires is the largest Argentine province, with a quarter of the nation's population. The bonds were issued to fund the short term debt of the province, and besides being a charge of the province, are a specific charge on certain taxes. An advisory financial commission of bankers has been appointed for the province, which has had an excellent financial record for 29 years.

Bonds were offered at 94¾, to yield over 7.40%.

Berlin City Electric

Dominion Securities Corporation was associated with an American syndicate in the offering of $20,000,000 of debentures of Berlin City Electric Company.

The bonds mature in 25 years, paying 6½% and were offered at 98, to yield 6.65%.

The city of Berlin owns all of the company's capital stock and has entered into an agreement with the company, extending beyond the maturity of the debentures, empowering the company to fix rates for the sale of electricity adequate to cover all operating expenses, interest and amortization of loans, depreciation and other proper reserves, and providing that, upon termination of the agreement the city shall assume all obligations of the company.

United Industrial Corporation

Harris, Forbes and Company were one of a syndicate offering $6,000,000 of debentures of United Industrial Corporation of Germany. There is no business organization on this continent comparable to the United Industrial Corporation. It is the medium through which the German Government controls the operations of the most important industries of the country, including the production of electric power, aluminum, nitrate, steel, and agricultural and textile machinery. The entire capital stock of the Corporation is owned by the German Government.

The debentures being issued will be direct obligations of the United Industrial Corporation which will agree that it will not mortgage or pledge any of its revenues or any securities of controlled subsidiaries ahead of these debentures. If at any time the German Government shall cease to be the owner of a majority of the Corporation's voting shares, the Corporation will call the debentures for payment at the current redemption price.

A sinking fund provides for the retirement of 50 per cent. of the debentures by maturity.

The debentures were offered at 97½, to yield over 6¾ per cent.

E. A. Pierce & Co. Take Over A. A. Housman-Gwathmey

Arrangements have been concluded whereby, as of January 1, 1927, the present firm of A. A. Housman-Gwathmey and Co., members New York Exchange, and having offices in Toronto, Hamilton, Ottawa and Winnipeg, will be succeeded by a co-partnership under the name of E. A. Pierce and Company, Mr. Pierce being managing partner of the predecessor firm. There will be no change in personnel, save that Harold A. Sands will retire. Sidney J. White and J. C. Cuppie, both members of the New York Cotton Exchange, will be admitted, and Frederick Housman become a special partner. The transition of the Housman-Gwathmey business will involve no changes in matters of general policy, and the responsibilities and resources of the new firm will be no less than those of the old. E. A. Pierce and Company will continue in the offices now maintained by A. A. Housman-Gwathmey and Co.

Royal Bank Issues Valuable Rights

From Our Own Correspondent.

MONTREAL.—The Royal Bank of Canada is increasing its paid up capital from $24,400,000 to $60,000,000 by the issuance of new shares which will be allotted to the present shareholders at a price of $200 per share.

Those who now hold five shares of Royal Bank will be entitled to one new share of stock. As the present market price of the stock is $270, it will be seen that the shareholders are receiving valuable rights.

The bank's reserve fund which, at the end of July, was equal to its outstanding capital, will be increased to $30,000,000 also when the payments under the new issue are completed.

Apart from $4,000,000 stock allotted in 1925 to acquire the Union Bank of Canada, there has been no new stock issued by the Royal Bank of Canada since 1920. Since the latter date the business of the bank has been steadily growing, and the decision of the board to issue further capital stock in order to take care adequately of the bank's increasing connection was to be expected. As is well known, the bank has an extensive organization in Canada, where its branches, distributed from coast to coast, number 760. In addition, there are over 100 branches in other countries with which Canada has important trade relations.

The Royal Bank of Canada is now one of the largest and most important international banks, and has been a large factor in the development of Canada's trade, both domestic and foreign. The substantial addition to capital now being made indicates the directors' determination that the bank's facilities shall keep pace with the ever growing needs of its clientele.

Quebec Power Bonds Rise, But No Explanation Given

From Our Own Correspondent

MONTREAL.—The 5 per cent 30-year bonds of the Quebec Railway, Light, Heat and Power Company, due 1939, have been selling around 103½. The 6 per cent. first mortgage bonds of the parent company, the Quebec Power Company, have been changing hands at around 108. The former issue is redeemable at 105, and the latter at 110.

The strength of the market indicated that the bonds would be called, but Julian C. Smith, president of the Quebec Power Company, which controls Quebec Railway, authorizes the statement that no such step is contemplated.

As the bonds have been selling out of line with other similar securities, there is much speculation regarding the factors which have brought about the increased price level.

Bits About Bonds

The outstanding feature of the investment market during the past week was the tremendous demand from Canadian institutions and private investors for the new Province of Buenos Aires 7% bond issue, due June 1st 1957, say McLeod, Young, Weir and Company.

The scarcity of government and municipal bonds in the Canadian market is still pronounced. This scarcity is enhanced by the continued demand from New York for high-grade Canadian issues.

The abundance and ease of money in the face of increasing requirements from the realm of commerce are a decided tribute to the rate at which Canada's liquid wealth is increasing.

Central Public Service Collateral Bond Sold

From Our Own Correspondent

MONTREAL. — The investment house of H. B. Robinson and Company is offering $750,000, 6 per cent. collateral trust bonds of the Central Public Service Company, a Delaware corporation.

The company furnishes through its subsidiaries public utility service in 15 states in the United States, as well as in New Brunswick, serving in the neighborhood of 100 cities and towns having a combined population of about 750,000.

There is an equity in the properties owned by this company of about $13,000,000, or more than $4,900 for each $1,000 of these bonds.

The particulars of the issue follow:

$750,000

CENTRAL PUBLIC SERVICE CO.,

Series 'A' 6% collateral trust bonds.

Company—Operates electric, gas, water, railway and heat services.

Security—Common stocks of subsidiaries.

Earnings—Estimated at 3.7 times interest requirements.

Capital—	Outstanding
Series "A" 6% collateral trust gold bonds	$2,604,000
6½% secured gold notes	350,000x
Five yr. 2% to 5% notes	198,000
Pfd. stock, $7 Div. series (no par value)	15,172 shs.
Common Stock (no par value)	180,000 shs.

*Closed issue, secured by $350,000 Debenture bonds of Michigan Water Power Co.

Offered—December 1926, by H. B. Robinson and Co. at 97 to yield 6.3 per cent.

Pellatt & Pellatt Expand

Pellatt & Pellatt announce the opening of a grain and provision department under the management of Charles B. Lindsey, who has been elected a member of the Chicago board of trade, and Horace N. Switzer, who has been elected an associate member of the New York produce exchange.

Board room facilities have been increased, and direct private wires are installed with New York and Chicago.

Trail Smelter Receipts

The Consolidated Mining and Smelting Company makes the following statement of ore receipts at Trail Smelter from 22nd November to 30th November, 1926, inclusive, and from 1st January, 1926, to date, in tons:—

	Week.	Year.
Company's mines	6,334	374,24
Other mines	5,435	153,57
Total	11,769	527,91

We Offer—

Laurentian Hydro Electric, Limited

6½% First Mortgage Sinking Fund Gold Bonds

Due June 1st, 1934

Price: 101½ and Accrued Interest, to yield 6.25

Full particulars on request

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Municipal and Provincial Finance

SASKATCHEWAN'S MUNICIPALITIES IN BETTER SHAPE

Tax Collections Show Five Per Cent. Jump in Year

From Our Own Correspondent

REGINA.—Substantial improvement in tax collections in the municipalities of Saskatchewan combined with much material reduction in expenditures is the statement made by J. J. Smith, Deputy Minister of Municipal Affairs for Saskatchewan in a report just presented by him to Hon. T. C. Davis, minister in charge of this department.

Expenditures, states Mr. Smith, show a further reduction for the 1925 period. In the rural municipalities tax collections show an increase of over 5.5 per cent. over those of the preceding year. Fully two-thirds of the taxes to be collected in rural municipalities were actually realized in cash during the year 1925. "This is the highest percentage of tax collections recorded in rural municipalities during the past 14 years. Tax collections in the cities, towns and villages of the province also show a substantial improvement."

Mr. Smith attributes this improvement in the financial condition largely to the municipal councils and officials generally. The departmental inspectors have also been able to render valuable service to the municipalities in connection with the management of their financial affairs. Mr. Smith also notes an increased sense of responsibility on the part of councillors in the appointment of secretary-treasurers, and a fuller realization of the fact that qualified men can only be obtained by the payment of adequate salaries. He also notes a growing disposition on the part of councils to employ professional auditors and to dispense with the services of local auditors. Two hundred and twenty-five of the three hundred and one rural municipalities in the province now employ chartered accountants to audit their books and records.

Unlisted Bonds

Abitibi P. & P. 6s 1940	104	105
Algoma Steel 5s 1962	27½	28¾
Anticosti Corp. 6½s 1941	102	103
Belgo Can. Paper 6s 1943	101⅞	102⅞
Brandram Henderson 6s 1939	84	87
Brompton P. & P. 6s 1946	97¾	98¾
Burns, P. Co. 6½s 1943	102¾	103¾
Calgary Brewery 5s 1942	86½	88
Calgary Power 5s 1940	89	90½
Canada Biscuit 6½s 1946	100	100⅝
Canada Lt. & Pr. 5s 1949	89¾	91
Can. Car & Fdry 6s 1939	103¼	105
Can. Nor. Power 6½s 1941	100¼	101½
Can. Steamships 5s 1943	96	97¼
Can. Steamships 6s 1941	96	97¼
Can. Salt 6s 1946	101¼	103
Can. Steel Fndry 6s 1936	103¼	105
Cedar Rapids 5s 1953	99½	100½
Davis, Wm. 6s 1942	93¼	94¼
Dominion Iron 5s 1939	29	32
Dom. Power & Tr. 5s 1932	96¼	97¼
Dominion Textile 6s 1949	106½	108
Duke-Price Pr. 6s 1966	105	106
East Kootenay Pr. 7s 1942	104	105½
Elev. Development 5s 1933	99¾	100⅝
Fraser Co. 6s 1950	97	98¼
Gatineau Power 5s 1956	95	95½
Howard Smith P. & P. 7s 1941	102¾	103½
International Paper 6s 1955	99¼	100½
Jamaica Pub. Serv. 6½ 1943	102¼	103¼
Kaministiquia Pr. 5½s 1950	99¾	101
King Edward Hotel 7s 1944	93	95½
Lake Superior P. & P. 6s 1941	105½	107½
Laurentian Pr. 6s 1936	100¾	102
Laurentide Pr. 5½s 1946	101½	102½
Maple Leaf Mfg. 6½s 1943	103¼	104½
Maritime Tel. & Tel. 6s 1941	103½	105
Manitoba Pr. 5½s 1951	97¼	98
Mattagami P. & P. 7s 1949	60	64
Mercury Mills 6½s 1943	100¼	101½
Mont. L. H. & Pr. 5s 1951	99¼	99⅝
Mont. Pub. Service 5s 1942	97¼	98¼
Nor. Can. Pr. 6s 1945	100¼	101
Nor. Ont. L. & P. 6s 1946	100½	101½
Nor. West. Utilities 7s 1938	99	100½
Nova Scotia Steel 6% Debs.	28	31
Nova Scotia Tram. 5s 1946	89	90½
Nova Scotia Tram. 7s 1952	97	99
Ont. Pulp & Paper 6s 1931	108	109
Ottawa Gas 6s 1939	102¾	103½
Ottawa Hull Pr. 6s 1948	103	104½
Ottawa L. H. & Pr. 6s 1953	104	105½
Ottawa Mont. Pr. 6½s 1949	102¼	103¼
Ottawa Riv. Pr. 6½s 1953	102¼	103¼
Ottawa Trac. 5½s 1955	100	101
Port Alfred P. & P. 6½s 1943	101¼	102½
Price Bros. 6s 1943	103	104
Prov. Lt. & Pr. 5s 1946	100⅛	101½
Page Hersey 6s 1946	101¼	102½
Quebec Pr. 6s 1953	106¼	107½
St. Lawrence Paper 6s 1946	97¼	98¼
St. Maurice Pr. 6½s 1953	107½	108½
St. Maurice Valley 6s 1945	99	100
Shawinigan W. & P. 6s 1950	104	106
Simpson, Robt. 5s 1952	94¼	96
Simpsons, Ltd., 6½s 1945	101¼	102¾
Southern Can. Pr. 5s 1955	97¼	98¼
Spanish River P. & P. 6s 1931	108	109½
Spanish River P. & P. 8s 1941	106¼	108
Walmsley, Chas. 6s 1943	91	95
West Kootenay Pr. 6s 1943	103¼	104½
West Pr. of Can. 5s 1949	96¼	97½
Winnipeg Elec. 6s 1953	99	99⅝
Winnipeg Elec. 5s 1935	97	98½

UNLISTED SECURITIES

	Bid	Asked
Alberta Pac. Grain, com.	18	20
Do., pref.	84	86
Brooks Motor 1 pref. & 1 com.	6	7
Do., 1 pref. & 2 com.	8	9½
Can. Machinery, com.	4	7
Can. Westinghouse, com.	168	171
Farmers Dairy, com.	62	..
Dunlop Tire, pref.	84	90
Chase, A. W., com.	5	12
Do., pref.	..	80
Fanny Farmer, com.	25½	27
Federal Alcohol & Dist.	7	8½
Goodyear Tire, 6% pref.	93	96
Gunns, Ltd., pref.	27	30
King Edward Hotel, Deb. A.	69	75
King Edward Hotel, Deb. B.	60	63
Loew's London, com.	3¾	4½
Loew's Buffalo, pref.	54	60
Mount Royal Hotel, com.	6	8
Nat. Grocers, 1st pfd.	97	100
Nat. Grocers, com.	2	5
Continental Life 20% paid	41	46
Crown Life	128	..
Empire Life	25	30
Excelsior Life 29% Paid	62	..
Great West Life	400	450
Monarch Life 10% Paid	30	..
Mortgage Discount, pref.	6½	7½
Ontario Equitable	21	25
Re-Insurance	21	25
Security Life 40% Paid	28	31
Sun Life, 75% paid	550	..
Toronto Finance, pref.	2½	3½
Willard's pref.	67	71
Canada Life	600	..
Capital Life 25% paid	20	24
Mount Royal, pref.	59	62

Building permits issued in Regina for the ten months of the present year are nearly four times as large as those of the corresponding period last year, at $4,181,867, against $1,091,963.

Dominion Revenues and Expenditures

Ordinary Revenue	Total Nov. 30, 1925 April 1 to	Total Nov. 30, 1926 April 1 to
Taxation Revenue—	$	$
Cus. duties ..	85,509,914.43	96,415,483.02
Excise Duties	29,574,159.61	34,181,182.65
War Tax Revenue—		
Excise Taxes, (Sales, Stamps, etc.)	60,982,954.66	65,823,080.10
Income Tax	52,657,584.10	45,430,279.95
Bus. Prof. Tax	699,170.55	363,802.06
Miscel. Taxes	1,157,965.35	1,185,486.60
Total taxes	230,581,748.70	243,399,314.38
Int. on Inv.	3,945,149.88	4,384,541.43
Post Office	17,400,000.00	16,300,000.00
Dominion Lands	1,673,534.26	2,157,360.48
Can. Grain Act	1,035,231.22	1,133,040.49
Miscellan.	4,359,770.09	4,774,881.36
Tot. Ord. Rev.	258,995,434.15	272,149,138.00
Special Receipts and Credits on Consolidated Fund	792,274.59	913,104.09
Total	259,787,708.74	273,062,242.18
Ordinary Expenditure—	$	$
Int. on Pb. Debt	101,917,554.48	101,313,553.32
Pensions	21,830,642.09	22,018,424.57
Subsidies to Prov.	6,187,564.25	6,187,564.25
Soldier Land Set.	788,125.63	783,703.79
Soldiers' Civil Re-establishment	4,576,681.30	4,000,528.66
Cus. and Excise	5,676,773.09	5,984,032.47
Post Office	14,554,589.01	14,724,875.23
National Def.	7,354,708.73	5,675,155.34
Agriculture	3,585,654.13	3,333,782.94
Pub. Works, chargeable to Income	8,140,349.98	5,698,860.75
Dom. Lands and Parks	2,550,498.72	2,630,999.67
Trade and Com.	3,068,636.92	2,533,200.56
Civil Govt.	7,154,365.56	6,915,131.38
All other Exp.	22,833,432.60	21,474,951.30
Tot. Ord. Ex.	210,219,576.49	203,274,764.23
Special Expenditure—		
Adjustment of War Claims	$ 127,441.48	$ 93,333.10
Discount and expenses of Loan Flotations	302,189.24	3,277,943.97
Miscellaneous charges to Consol. Fund	2,012,087.75	515,586.99
Capital Expenditure—		
Public Works	3,705,251.10	1,804,946.77
Rail. and Canals	8,247,913.38	9,866,132.00
Loans and Advances Non-Active—		
Loans to C N R	....	8,500,000.00
" to C G M M	320,004.07	—4,790.79
" to Que Har Com	32,000.00	440,000.00
Miscel. Non-active acc.	443.46	....
Grd. Tot. Ex.	224,966,906.97	227,767,898.27
Decrease of Debt	34,820,801.77	45,294,343.91
Net Debt—		
31st March	2,417,437,685.59	2,389,731,099.42
30th Novem.	2,382,616,883.82	2,344,436,755.51

ONTARIO REVENUES SHOW BIG INCREASE

Yearly Deficit Falls to Under $400,000, as Result of Larger Income

Hon. J. D. Monteith, M.D., provincial treasurer of Ontario, has issued his preliminary summary of provincial financial operations for the year to Oct. 30 last.

Expenditure for the year ended October 31st, 1926, excluding interest, amounted to $3,146,323. In 1925, similar expenditure amounted to $34,224,000. In 1924 it was $32,692,000. And in 1923 it was $35,322,000.

Notwithstanding the many new and constantly expanding public services, the expenditure of 1926 is $77,000. less than 1925, and $1,176,000. less than that of 1923. If the interest, amounting to $17,128,373. were added, the total ordinary expenditure would be $51,274,696. as compared with $51,462,000. in 1925.

Interest paid by the province, namely, $17,128,373, is over $100,000 less than last year, the result of renewing maturing high-rate bonds at a lower and better rate.

That the finances of the province are in a very healthy condition is evinced by the increase in revenue; the province this year collecting $50,884,710. This means an increase of $4,281,000. over 1925, and $16,770,000. over 1923.

While there has been a falling off in the revenues in the Department of Lands and Forests, due to unfavorable conditions in the lumber industry, it has been more than off-set by the increases in other departments, where substantial gains have been made, more particularly in the treasury department, which is the greatest revenue collecting department.

In the highways department, the net amount of gasoline tax collected was $3,376,000, as compared with $1,974,000 in 1925.

A comparison of the receipts and expenditures for the last three years will show that, while excluding discount on bonds, in 1923 there was a deficit of $14,722,925; in 1924, a deficit of $8,325,645; and in 1925, a deficit of $4,859,375.; the deficit for 1926 between receipts and disbursements is $389,986., which may be somewhat increased when adjustments in interest and discount are finally made.

The increase of ordinary revenue of 1926 over that of 1923 is $16,770,000.

If the taxes from new sources were deducted, namely,

Gasoline Tax	$3,376,000
Luxury Tax	346,739
	$3,722,739

the result would show that the revenue increase without the new taxes amounts to $13,047,261.

BOND MOVEMENTS OF THE WEEK

Week Ending December 14

Bonds—	Int. Rate	Due	Yield	Range, High	1925 Low	Range, 1926 High	Low	Ask	Latest Price Bid	High	Low
Asbestos G. Mtge.	6	1956	6.91	.....	...	88½	81¾	89	88⅛	88½	87⅞
Can. Canners	6	1950	6.26	96½	90	100	94	97	96½	96¾	96½
Canada Cement	6	1929	5.72	103	100	102¼	100½	102¾	101⅜	100¾	...
Cedar Rapids	5	1953	5.00	99⅛	97	101½	98⅛	100	...	100	...
Cons. Rubber	6	1946	5.74	101	95	103	100	...	102⅜	103	...
Can. Locomotive	6	1951	6.03	98¼	95	99½	99	...	98¼	99½	...
Dom. Iron	5	1929	...	94	86	92	69	73	72¼	72½	71½
Montreal Trams "A"	5	1955	5.41	98	92⅛	94⅛	93	94¼	94⅛	94⅛	93⅞
N.S. Steel	5	1959	9.31	73½	73½	57	56	...	51	56	...
Quebec City	5	1939	5.24	98	89¾	97¾	91⅞	105½	102	97¾	...
Wayagamack	6	1951	6.00	98¾	84¼	100⅝	91¾	100	...	100	...
War Loan	5	1931	4.75	102.65	101.00	102.40	100.35	101.15	100.90	101.10	100.70
Do.	5	1937	4.64	104.95	103.80	104.65	102.75	103.25	103.00	103.15	102.90
Victory Loan	5½	1927	4.55	103.15	101.70	101.75	100.00	....	100.70	100.80	100.55
Do.	5½	1933	4.80	107.00	105.10	106.80	103.65	104.15	103.85	104.20	104.00
Do.	5½	1934	4.98	104.80	103.20	104.10	102.15	103.35	103.10	103.35	102.15
Do.	5½	1937	4.60	110.00	108.15	109.30	106.90	....	107.30	107.75	107.20
Do. Renewal	5½	1927	4.95	103.15	101.70	101.75	100.00	100.60	100.40	100.30	100.25
Do. Refund	5	1928	4.90	104.45	102.60	103.40	102.00	....	102.35	102.50	102.40
Do.	5½	1932	5.01	104.20	100.15	101.30	99.00	100.25	100.00	100.10	100.00
Do.	4½	1940	4.87	97.25	92.00	96.70	95.60	96.30	96.05	96.25	95.90
Do.	5	1943	4.85	102.95	100.15	102.25	101.15	102.15	101.90	102.25	101.80
Do.	4½	1944	4.83	97.65	96.20	97.15	95.75	96.35	96.10	96.50	96.15
Do.	4½	1946	4.80	....	....	96.80	95.65	96.30	96.15	96.35	96.05

Tariff Board to Hear Case for Higher Parchment Duty

The Canadian Vegetable Parchment Company, whose appeal before the Tariff Board will be heard in January, are manufacturers of the product called vegetable parchment, a wet wrapping paper used to wrap any products such as butter or fish which must be wrapped in a wet state. Unlike ordinary paper, this commodity does not disintegrate when wet, and instead of dissolving, its toughness is increased by water. This product is made from the finished paper called "waterleaf," which is used by commercial houses for mimeograph purposes. The waterleaf is put through several manufacturing processes at a cost of about five cents per pound, in order to produce the finished product.

The company is basing its claim for a higher tariff protection, on the plea that their product is clearly one which is subjected to two manufacturing processes and should therefore be protected by the higher tariff schedule which applies to paper products rather than to paper. The plant of the company, which cost $250,000, is located at Merriton, Ontario.

Appointed to Sherwin-Williams

MONTREAL.—D. A. Whittaker, secretary-treasurer of the Sherwin-Williams Company of Canada, has been elected to the board of directors following the adoption of a by-law increasing the membership from seven to eight. He has also been appointed vice-president.

FOREIGN SECURITIES
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EUROPEAN DEBENTURE CORPORATION, LTD.
120 St. James Street, Montreal

This Week's Bond Sales

Town of Mimico

C. H. Burgess and Company have been awarded an issue of $152,615 5 per cent. bonds of the Town of Mimico, 10, 15, 20 and 30-year debentures, at 97.58. Dyment, Anderson and Co. bid 97.382. There were only two bids on the issue.

Sturgeon Falls Issue

The Town of Sturgeon Falls sold an issue of $38,550 6 per cent. 20 and 30-year bonds to C. H. Burgess and Company at 104.68. The bids were:

C. H. Burgess & Co.	104.68
W. L. McKinnon & Co.	103.725
McLeod, Young, Weir & Co.	100.18

Township of Tisdale

An issue of $45,000 Township of Tisdale, 5½ per cent. 20 instalment debentures, guaranteed by the Ontario government, has been sold to Dyment, Anderson & Co. on a bid 103.68, a cost to the township of 5.07 per cent. The bids:

Dyment, Anderson & Co.	103.68
Macneil, Graham & Co.	103.37
McLeod, Young, Weir & Co.	103.28
Wood, Gundy & Co.	103.20
H. R. Bain & Co.	103.20
Royal Securities Corp.	103.19
C. H. Burgess & Co.	103.13

Town of Donnacona

Versailles, Vidricaire & Boulais, were awarded an issue of $20,000 Town of Donnacona, Que., 5 per cent. 25-year serial bonds, on a bid of 98.38. The bids were:

Versailles, Vidricaire & Boulais	98.38
Credit Municipal	97.53
Credit Anglo-Francais	97.38
Lagueux & Darveau	97.03
Bray, Caron & Dube	96.88
Normand & Halin	96.53
E. Lovard	95.02

London Township

The Township of London has sold an issue of $32,000, 5 per cent. bonds, due 1941, to the Midland Securities, at 99.04. Following are the bids:

Midland Securities	99.04
R. A. Daly & Co.	99.03
C. H. Burgess & Co.	99

GRAIN GROWERS SHOW INCREASE IN PROFITS

$118,746 Added to Surplus; Assets in Excess of $10,000,000

The annual report of United Grain Growers, Ltd., shows profits for the year ended August 31, 1926, as $676,378, as compared with $418,574 for the previous year. A total of $118,746 is added to the surplus, making a total surplus, less taxes, of $664,565.

Total current assets of the company are given as $4,031,976, which include $699,860 funds on hand and in bank, and government and railroad bonds totaling $758,561. Capital assets, consisting principally of elevator buildings and equipment and machinery, are listed at $6,509,532, and total assets at $10,541,509.

Current liabilities total $1,693,368 and capital liabilities, including first mortgage bonds, total $2,920,620, and reserves, after depreciation, are given as $3,276,049.

Profit and Loss

Year end. Aug. 31—	1926	1925
Profits	$676,378	$418,574
Patronage div.	78,792	......
Shareholders div.	233,277	231,093
Reserve	245,563	....
	$557,632	$231,093
Surplus	$118,746	$187,481
Prev. surplus	x545,819	x390,122
	$664,565	$577,603

xLess taxes.

Four carloads of silver foxes, valued at $750,000, have left Prince Edward Island in one shipment for the Western States: Wyoming, Utah, Colorado, Oregon and Washington. Viewed as a livestock shipment, it is said to be a record one. A number of prize winners were among the pack.

Tenders and By-laws

Dec. 29, Catholic School Commission, Sherbrooke, P.Q.—$125,000, 5 per cent. serial debentures. L. O. Lacombe, Sec.-Treas.

Dec. 28, School Municipality of La Barre, P.Q.—$18,000, 5½ per cent. serial bonds. J. A. Couture, Sec.-Treas.

F. H. Blakely C. E. Bowden
F. H. BLAKELY & CO.
BONDS
For Investment
Northern Ontario Bldg. Toronto
Telephone Adelaide 0669

WILLIAMS, PARTRIDGE & RAPLEY LIMITED
Investment Bankers
71 St. James St. MONTREAL

H. C. MONK & COMPANY
Government, Municipal and Corporation Bonds
Canada Life Bldg. Ottawa

BONDS
Government
Municipal
Industrial
Utilities
List on request
ESTABLISHED 1910
CREDIT-CANADA
LIMITEE
Investment Bankers
120 St. James St., Montreal
Main 4191★

CANADA STANDS BADLY IN NEED OF INCREASED ADVERTISING IN BRITAIN

(Continued from page 12)

done a great deal of clever work along these lines. They are both advertising in large space in the British press and this has stirred up an interest among their readers which has caused them to feature these two countries prominently in the news columns.

Mr. Bruce received at least three times as much publicity in Great Britain during the Imperial Conference as Mr. King. This was due to the practical nature of his addresses and to the excellent work of his economic advisers and press agents.

Permanent Exhibit in London

A publicity manager must keep constantly in mind the people he wants to reach and the things he wishes to advertise to them.

He should utilize every agency which can be of assistance to us. A permanent exhibit in London of Canadian products should be part of the programme. The use of the cinema, showing Canadian products should go with the exhibit and should also be shown widely throughout Great Britain.

I am not attempting to work out a complete plan, but merely to give enough details to indicate the great service an able publicity manager with the necessary assistants could accomplish. Canada needs publicity in Great Britain and suffers from the limited publicity it now gets there.

We recommend
PUBLIC UTILITY BONDS
Send for our Selected List
Browne, Urquhart & Co.
Limited.
180 St. James St. Montreal
Tel. Main 8011*.

BONDS
FOR INVESTMENT
HOUSSER, WOOD & CO.
LIMITED
Investment Bankers
ROYAL BANK BLDG. TORONTO

We deal in—
United Securities 6% Preferred Shares.
C.P.R. 4½'s.....1944
Bell Telephone 5's.....1955
Belgo Paper 6's.....1943
Belgo Paper 7% Preferred Shares.
Quebec Power Co. 6's..1953
Quebec Railway 5's....1939
St. Maurice Power 6½'s 1953
Wayagamack 6½'s.....1930
Wayagamack 6's.....1951
Montreal Tramways 5's 1941
Montreal Tramways 5's 1955
Montreal Public Service 5's.....1942
Windsor Hotel 6½'s...1943
Laurentide Power 5½'s.1946
Duke-Price Power 6's..1966
Manitoba Power 5½'s..1951
Gatineau Power Co. 5's.1956
Gatineau Power Co. 6's.1941
Anticosti Corporation 6½'s.....1941
Anticosti Corporation 7% Preferred Shares
Canada Steamship Lines 6's.....1941
At all times we are prepared to submit satisfactory bids for the purchase, in odd lots, of Canadian Government, Municipal and high-grade Corporation Bonds.
RENE-T. LECLERC
Incorporated
Montreal:- 160, St. James St.
Quebec:- 71, St. Peter St.
(ESTABLISHED 1901)
E210

VERSAILLES-VIDRICAIRE-BOULAIS - LIMITED
Investment Bankers
MONTREAL QUEBEC
Quebec Municipals and Industrials a Specialty

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F. G. OSLER *G. T. CHISHOLM*
H. F. MARRIOTT *H. FRANKS*
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Members {*Toronto Stock Exchange* / *Montreal Stock Exchange*}
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Two Attractive Power Investments
Power securities rank next to Government Bonds in the estimation of experienced investors. The reason lies in the ever increasing demand for power as a result of population growth and the rising standard of living.
We recommend the securities of the two under-mentioned companies. Both face a future of sound, steady expansion, and both enjoy earnings that leave a substantial margin for dividend requirements or bond interest.
Avon River Power Co. Limited
First Mortgage 5½% Gold Bonds
$98.50 and Interest
To yield 5.60%
Quinte & Trent Valley Power Co.
Preferred Stock
$99.00 and Accrued Dividends
To yield over 7%
Descriptive Circulars Furnished on Request.
Members: Montreal Stock Exchange. Toronto Stock Exchange.
JOHNSTON AND WARD
14 King St. East Toronto

Forty-Three Years of Experience Crystallized in This Booklet ---Send for a Copy
Since 1883 the investment banking house of G. A. Stimson & Co. has followed a course of strict adherence to sound investment principles. During this span of years, which carried this organization through several major and minor business and financial depressions, in which at some time or other practically every class of investment was affected, no security sold or recommended by this house failed to pay principal and interest—a record we are proud of, and one we guard zealously.
Now, as a result of almost a half century of investment experience, we are offering to the investors of Canada what we consider to be the safest and most convenient investment it has been our pleasure to offer.
This investment has all the advantages and none of the disadvantages of other high-grade investments—it is an investment trust, backed by trustee investments, and returns a full 5½% for a twenty-year period.
If you would know more about this opportunity, send today for a copy of our booklet which explains the security back of this issue. You will be under no obligation to purchase.
The Investment Trust
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LIMITED EST. 1883
The Oldest Bond House in Canada
300 BAY ST. TORONTO
Gentlemen:
Kindly send me a copy of your booklet, "The Investment Trust." I understand this places me under no obligation whatever.
Name ....
Address ....

WEEKLY RECORD OF CANADIAN FINANCING

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS.

Place	Date Sold	Municipal —Sold To—	Rate	Maturity	Amount	Price	Cost Basis
Tisdale Township	Dec.	Dyment, Anderson & Co.	5½%	20-ins.	$45,000	103.68	5.07
Sturgeon Falls	Dec.	C. H. Burgess & Co.	6%	20 & 30-yr.	38,550	104.68	...
Donnacona, Que.	Dec.	Versailles, Vidricaire & Boulais	5%	25-yr. ser.	20,000	98.38	5.16
London Township	Dec.	Midland Securities Co.	5%	1941	32,000	99.04	...
Mimico	Dec.	C. H. Burgess & Co.	5%	10 to 30 yr.	152,615	97.58	...

OFFERINGS OF CORPORATION AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Buenos Aires	Dec.	U.S. and Can. Syndicate	7%	1957	$24,121,000	94¾	7.40
Berlin City Electric	Dec.	Dillon, Read & Syndicate	6½%	1951	20,000,000	98	6.65
Grouse Mountain Hotel	Dec.	Royal Financial Corp.	6½%	1946	250,000	....	6.60

Insurance for Buyer and Seller

LIFE INSURANCE COMPANIES LOOK AFTER ESTATES

Big Problems Arise as Trust Company Service Taken Over

Expressing the opinion that there should be no conflict between life insurance and trust companies in the matter of selling trust settlements, C. C. Sinclair, in an address before the Insurance Institute of Toronto, outlined the various ways in which trust settlements might be made and predicted that insurance companies would be called upon to write an increasing amount of business under this plan. The subject of selling settlements which has been discussed from time to time in The Financial Post, is one of the more recent developments in life insurance, and Mr. Sinclair's presentation of the facts, from his position as assistant actuary of The Great West Life Assurance Co. throws much light on the probable future of this type of insurance. Mr. Sinclair said in part:

"The selling of trust settlements under life insurance policies, refers to the various modes of instalment and deferred settlements which may be made by a life insurance company upon maturity of a policy. For many years policies of all life companies have contained various instalment options, partly as a result of legislative acts, but particularly as a development of business itself and a recognition of the increased service which could be performed by insurance companies to their policyholders and beneficiaries.

No Trouble for Investor

"In view of the fact that it is practically universal for the company to allow surplus interest on such instalment settlements, the effect is that the beneficiary has an immediate automatic investment of the proceeds of a policy with no trouble involved, with a rate of interest which is as high as can be reasonably expected, and with all the facilities of an experienced financial institution at his or her disposal. Inasmuch as the proceeds of such matured policies become part of the corporate funds of the company, they realize the rate of interest earned on the assets as a whole and are not subject to fluctuation in value, as might be the case if they were invested in specific securities allocated to each policy.

"Notwithstanding the instalment options contained in policies and the educative propaganda on the part of companies urging policyholders, during their lifetime, to make provision for instalment settlement upon their death, and upon beneficiaries, to accept the proceeds in that manner, a very small percentage of either policyholders or beneficiaries have in the past availed themselves of the opportunity. It is only recently, and with the assisting propaganda of many trust companies, that these settlements are now becoming frequent, and the attitude of the companies will need to be defined. It is sometimes intimated that the purpose of life insurance companies is to create estates, with the possible inference that they should have no further interest therein.

Should Go Further

"In view of the fact that the companies are coming more and more to be regarded as part of our economic structure and to take the place of many governmental and private relief institutions which might otherwise be necessary, and in view further of the implications involved in the settlement options contained in their policies, it would appear that their services could very properly be extended beyond the mere function of creating cash estates. After all, the object of a policyholder is not so much to place in the hands of a beneficiary a lump sum of money with the attendant responsibility of its proper investment, as to provide to the utmost of his ability a continuance of the income which is necessary to her comfort. This idea is spreading among the insuring public, with the result that the subject of instalment and deferred settlements is going to be an important item for company consideration, and even now the companies are faced with the problem of how best to extend this service to beneficiaries, and what limits will have to be placed on such services.

Two Ways of Doing It

"There are two evident methods by which the proceeds of a life insurance policy may be disbursed on the instalment plan. Either the company may disburse the money itself, or the company may hand the proceeds over to a trust company, which disburses the money according to previously arranged agreement. My remarks on the subject will chiefly be concerned with the first method, and I will confine myself to Canadian practice. To make the settlement effective, the policy may either be endorsed with the terms of settlement, or a subsequent settlement may be filed with the company. Our experience has been that the latter method is much more suited to the majority of cases and is most largely used in Canadian business.

"In the case of an existing Canadian policy we prepare a declaration containing the terms of a certain specified settlement which has been requested. It is intended that the request need not be written in technical legal form, but merely state the intention of the insured in his own words. The form has no legal value, as we have many letters from policyholders requesting a change of beneficiary or mode of settlement. Therefore, whenever this form is used, a proper declaration is prepared by the company and sent to the insured for his signature. If this is returned, the transaction is complete, but, if not, there is no legal obligation on the part of the company to enforce the tentative proposal. As we gain experience we will no doubt be able to get a collection of simple standard forms from which we will depart but rarely.

"The first form of this declaration reads as follows:

> "'The principal until paid shall be and form part of the corporate funds of the company.'

Joined With General Assets

"This provision is distinctive of the method followed by life companies in handling funds left with them for the purpose of instalment settlements. The proceeds of the policy are not invested and held in a separate fund as is the principal of a trust company, but are mingled with the entire assets of the company. There is consequently little danger of loss on individual investments, as such losses are equalled by gains in other directions. In the case of the failure of the company to carry out the exact terms of the agreement, the beneficiary concerned could proceed against the general assets of the company, and in this sense the proceeds of the policy are guaranteed by the entire assets of the institution.

The second clause provides for the payment of interest at a minimum rate of 3½ per cent. per annum, but with the provision that additional interest may be allowed. It is customary for insurance companies to allow on such funds interest either equal to or approaching the rate earned on their invested assets.

> "'The company shall not be responsible to see to the application of any payment of principal or interest.'

This is an important provision. The company's duties should be limited to the payment of certain amounts to certain specified beneficiaries on certain specified dates. Any further responsibility, such as, for example, seeing that the payments were used for the education of the children, should be avoided. This function can be undertaken by a trust company, but no insurance company should undertake it, nor should any discretionary power of disposing of the proceeds be assumed.

Avoiding Marriage Contingencies

"Another clause protects the company against payments made in good faith when no notice of a change of status of the beneficiaries has been received, and also to avoid the necessity of determining such status whenever a payment is made. With this provision it seems possible that a company can safely provide for benefits in the event of remarriage of a beneficiary as well as in the event of death, although I think it has been the practice of companies to avoid remarriage contingencies as far as possible. The last clause provides that should no legally designated beneficiary be living at maturity, the principal shall be paid to the executors, administrators, or assigns of the insured.

"But possibly the most important part of the agreement is the provision that the beneficiary shall not have the right to commute the instalments or to alienate or assign her interest therein. With this clause left out, one of the chief objects of the arrangement is nullified, as any change of mind on the part of the beneficiary or any dissatisfaction with the settlement provided by the insured may result in the withdrawal of the proceeds. As to the inflexibility of the non-commutable clause, it is possible to provide that, after a certain number of years, the beneficiaries may commute the remaining instalments. This would reduce to some extent the rigidity of the settlement and yet would assure to the policyholder that certain beneficiaries for whom he wished to provide definitely would be adequately protected, while others whose circumstances he could not foresee would have an optional mode of settlement. With the passage of the Uniform Insurance Act, however, any doubt as to the moral effect of the insured's wishes has been removed (save for a remote question of constitutionality) and a policyholder can be certain that any non-commutable provision is binding on a beneficiary. No doubt this has been one of the causes which has renewed interest in these settlement agreements.

"It is, of course, possible for an insured to ask for the most complicated settlements extending over a great number of years and exceedingly difficult to administer. He is, in effect, taking advantage of the company's generosity by making it act as trustee and administrator of his estate without fee, instead of obtaining the same service from a trust company, which would be entitled to proper fees for such service. While we said that the company's obligation did not cease at the death of the insured, in fact, in certain cases it practically began at that point, nevertheless the obligation to dependents cannot possibly be conceived as extending indefinitely. A reasonable rule possibly might be to provide settlements covering the lifetime of wives and children, with a final distribution at the death of the children. The law against perpetuities would prevent the settlement extending beyond lives in being at the death of the insured and twenty-one years thereafter. Besides the objection from the company's standpoint it would appear inadvisable for any man to attempt to anticipate so far into the future, and provide settlements for such a length of time without absurd complications and discriminations arising, unless in the case of a very large or important estate.

Who Should Bear Expense?

"When it is considered that the benefits of instalment settlements will accrue to only a small percentage of the policyholders, and the expense will fall on the whole company, it is probably time to consider whether the beneficiaries should not bear some of the expense. It has been customary, I believe, for companies to make no charge for their services and to allow the same rate of interest on funds left in their hands as would be allowed on profits left to accumulate. It is easy to see that the relative expense involved in the two cases may be quite different, and it may be necessary to make a change by allowing a lower rate of interest on funds administered under a settlement arrangement.

"The charge of inflexibility has been laid against the settlement of policies by life insurance companies, and this is necessarily true. Insurance companies usually by their charter are not permitted the powers of trust companies and, consequently, discretionary power should not be assumed. It is important, therefore, that the company in drawing up any settlement agreement should see that definite amounts are to be paid on certain definite dates and upon the happenings of certain specified contingencies.

"It appears also advisable to provide that upon the death of the last person in receipt of any income under a settlement, any balance should go to the estate of such last survivor, rather than to the estate of the insured. In the latter event, if a reversion to the estate of the insured were permitted, a re-opening of the estate might be necessary after a great many years had elapsed, and after the rest of the estate had been wound up. There is also the possibility that a valuation of the contingent interest of the estate in such a settlement might be necessary at the time of death for the purposes of succession duties.

Need Specialized Departments

"The difficulty of handling large funds and paying interest and instalments to various beneficiaries over a long period of years is going to necessitate the building up of a highly specialized settlement department in the large insurance companies. The work involved will be somewhat simplified as compared with similar work in trust companies, on account of the fact that the proceeds of policies become part of the corporate funds of the company and do not need to be earmarked for any particular trust. With regard to the payments to beneficiaries and the securing of proper discharges, the labors involved will be practically the same. These facts all point to the conclusion that no very intricate settlements should be provided by life companies.

"There has been some intimation that in providing settlement agreements, life companies have been usurping powers properly belonging to trust companies, but in Canada, at least, the Uniform Insurance Act seems to contemplate this service on the part of life companies, and I think there is no reason for any conflict."

Credit Insurance Growth Brings Need for New Capital

On November 10th the American Credit-Indemnity Co. of New York announced an additional issue of capital stock. While the capital stock was authorized in 1923 at $1,000,000, there remained unissued $91,750 of stock at $25.00 par. It is this unissued balance of 3,670 shares that is being issued at this time to stockholders. Warrants have been mailed entitling stockholders to purchase additional shares, at the rate of 10.10 per cent. of their holdings on record, as of November 7th, at the price of $50.00 per share. The company's stock was quoted on the St.Louis Exchange at $55.00 on November 10th, the day the warrants were issued.

J. F. McFadden, president of the company, says: "The company's action in regard to the remaining unissued shares results from its progress during the past four years. The steady increase in volume of premiums written gives proof that credit insurance, in which this company deals exclusively, is rapidly becoming an indispensable factor in business life, just as essential as fire insurance. Manufacturers and jobbers are coming to regard the protection of their credit accounts as a matter of sound business policy, and as a result, the American company's activities are becoming broader and more effective each year. The company will enter upon the year 1927 with the largest amount of insurance in force in the 34 years' history of the business, and with the strongest and largest agency force and collection service the company has even known."

The American's offices reach from coast to coast and spot all of the leading commercial centres of the United States and Canada.

Insurance Fusion Not to Affect Canadian End

The fusion of the British General Insurance Co with the Commercial Union Assurance which has just been effected in London, will not have any effect upon the Canadian branches of these companies according to information received by The Financial Post. The Commercial Union has absorbed several other companies in recent years but in every case the companies have continued their identity as separate companies.

The offer to purchase was made on the 20th of October and has now been accepted by the requisite number of British General shareholders. Payment for the 700,000 shares is to be made partly in cash and for the most part in 5% debenture stock payable at the end of 30 years or at the option of the purchasing company.

The British General, which is 21 years old, has been operating in Canada for nearly seven years, with the head office at Montreal in charge of Thomas F. Dobbin. Their business is chiefly in fire insurance with some automobile risks. The Commercial Union deals in all branches of general insurance, and has been in the Canadian field for 63 years. The head office in Canada is in Montreal, and is in charge of W. S. Jopling.

Herbert W. Jones has been appointed New York manager of the Canada Life, the appointment to become effective immediately. Mr. Jones for the last year has been assistant to Hart & Eubank, general agents of the Aetna Life, in the production of brokerage business.

THE MONARCH LIFE
IS A
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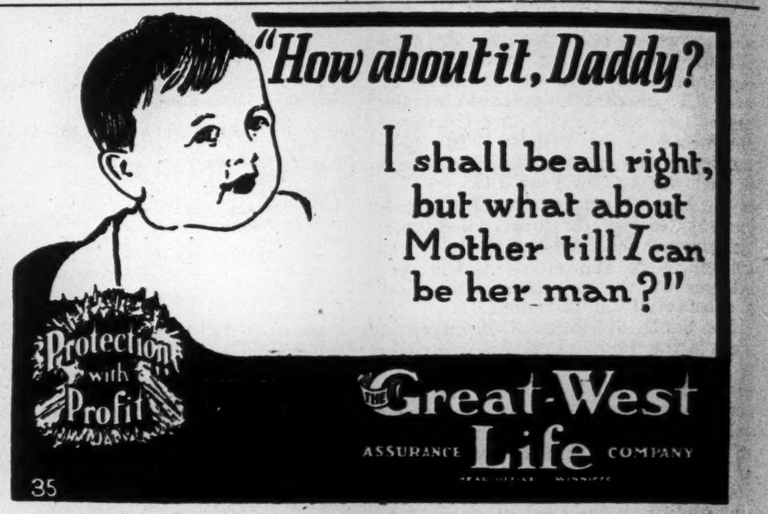
Provincial Offices: Toronto, Winnipeg, Regina, Saskatoon, Calgary, Edmonton, Vancouver, Victoria.



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THE YULETIDE SEASON FOR YOU AND YOURS
The DOMINION LIFE
ASSURANCE COMPANY.
Head Office: WATERLOO, Ontario
2X

Satisfactory Service Guaranteed
PRUDENTIAL
TRUST COMPANY
LIMITED

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Administrators,
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Safety Deposit Vaults.

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Chairman of the Board

B. HAL. BROWN,
President and General Manager

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PRUDENTIAL TRUST BLDG.,
Montreal

TORONTO OFFICE
Reford Bldg., 217 Bay St.

Branches throughout Canada and
in London, Eng.

WESTERN
ASSURANCE COMPANY

Incorporated 1851

Fire—Marine—Automobile—
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HEAD OFFICE - TORONTO

THE
CANADA NATIONAL FIRE
INSURANCE COMPANY

HEAD OFFICE: WINNIPEG, CANADA
TOTAL ASSETS $2,928,337.62

TORONTO, 24 Adelaide St. W.
W. H. GEORGE
Superintendent of Agents

The Independent Order of Foresters
Organized 1874
TOTAL BENEFITS
Paid to Members and their Beneficiaries
$87,000,000.00
Policies Issued from $1,000 to $5,000

G. E. BAILEY, Secretary
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NORTHWESTERN MUTUAL FIRE
ASSOCIATION
SEATTLE, WASHINGTON
Head Office for Canada: HAMILTON, ONTARIO
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BRANCH OFFICES
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Insurance
FIRE, HAIL and CASUALTY INSURANCE
Of every description effected with leading Insurance Offices.
Our Advisory Service is at your disposal.
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WINNIPEG

"I Have Found My Niche"

"I have found my niche in life, and do congenial work at good pay. My income is limited only by the extent of my knowledge and efforts. In addition, I enjoy the satisfaction that comes from preserving the family and business life of the community.

"I help build businesses.
"I stabilize credit.
"I promote thrift.
"I assist in creating and preserving estates.
"I enable people to become independent and successful.
"I safeguard homes and lives, protect widows and orphans.
"In this I am honored and respected, and I work for a most successful Company which is established from coast to coast.
"I am the representative of the

London Life
Insurance Company
"Canada's Industrial-Ordinary Company"
HEAD OFFICES • LONDON, CANADA
Policies "Good as Gold"

To the Field Service Department,
London Life Insurance Company,
London, Canada

Kindly send without obligation to me, a copy of Peter McArthur's book "The Last Law-Brotherhood" as I am interested in Life Insurance as a vocation, and I would like to get some idea of its possibilities.

NAME (please print)..............................

ADDRESS..............................

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LIFE ASSURANCE COMPANY OF CANADA
Good insurance salesmen can always find a place with our growing organization. Write for full particulars.
Head Office: London, Ontario.

Metropolitan Life
Insurance Co.

The Company's Canadian Head Office is in Ottawa where its Canadian business east of the Rockies is transacted. Canadian premiums are received, Canadian policies issued and Canadian claims paid in Ottawa.

Canadian Head Office
Ottawa, Canada.

Business Written in Canada in 1925....... $165,123,047
More than that of any other company.
Insurance in force in Canada, end of 1925. $633,544,780
Largest amount in force in Canada in any company.
Policies held by Canadians, end of 1925.. 2,215,742
Largest number in force in any company in Canada.
Paid Canadian Policyholders in 1925...... $ 8,540,178
Investments in Canada, at end of 1925....... $125,150,919
Invested in Canadian Government and Municipal Bonds.. $ 88,743,283

CONFEDERATION LIFE

BUY YOUR OWN PENSION.
Send for interesting booklet free of cost.
'YOUR KEY TO HAPPINESS'

ASSOCIATION HEAD OFFICE TORONTO

Current Events in Banking World

REMEDY FOR N.S.F. CHEQUE LIES WITH MANAGER HIMSELF

Weak Customer Might as Well be Asked to Close His Account

Here is the viewpoint of a bank manager on the question of N.S.F. cheques. The contribution is from an Ontario branch.—F.S.C.

The habit of issuing cheques for which funds have not been provided before presentation is responsible for a great deal of extra work and much inconvenience both to the bank and the customer. Every town seems to suffer from this cause and even the small branches have at least one or two offenders.

It is not realized by many and perhaps even by the officials of a branch bank, what handling an "N. S. F." cheque costs. A well-known authority on Canadian banking has estimated a per item cost of two cents per cheque, but if funds have not been provided the cost is very much greater. It would be worth while to consider the work one of these cheques occasions. The cheque is presented, probably through the morning clearing, and is sorted into his batch by the ledgerkeeper. When it is found that sufficient funds have not been provided it is referred to the manager or accountant; being refused it is probably entered into a returned cheque register and handed to a messenger, who presents it at the other bank for a slip. The other bank will charge it to its customer, using a triplicate debit slip, and using one part to notify its customer, if necessary, by mail. If the customer should not receive the notice, and should thereby sustain any loss, the bank will be held responsible. Instead of two cents for an ordinary cheque, the handling charge by the two banks for this kind of cheque will be nearer ten cents. In the case of a cheque drawn on another point returned N. S. F. and charged to the customer, the latter will often consider that exchange should not be charged a second time, the drawer of the cheque probably advising that the cheque will be paid if presented again. The explanation that the exchange originally paid has been eaten up in interest, postage, etc., does not seem to satisfy. The danger of loss to the bank might also be mentioned, and the inconvenience to the depositor must be considerable.

Careless and Habitual Offenders

Different remedies have been put forward from time to time: legislation has been suggested, but the main difficulty apears to be that the drawer who was merely careless, would be punished equally with the habitual offenders. In some cities the members of the clearing house have instituted a nominal charge to the customer depositing the cheque. This, in most cases puts the onus on the good customer, and although he may recover the charge from his customer, it seems to be taxing the wrong party. In my opinion, the remedy for this condition lies with the banks themselves. Competition between banks is severe and is not growing milder. Weak customers may develop and build up healthy accounts, and in most of the smaller branches the overhead is not affected and a little extra work can be given to these weak accounts, without actual cost. This explains the objection to the remedy which I am about to suggest.

A certain branch manager is in the habit of advising any customer who offends by way of issuing cheques for which funds have not been provided, politely pointing out that he is taking a liberty which is obnoxious to the bank, and which cannot be permitted. If the offence continues, he is asked to close his account. This seems to me to be the proper way to deal with this evil, for evil it is. If all the banks would agree to treat offenders in this way, the practice would be quickly stamped out. A business account with a bank is a convenience and a privilege and should be treated as such. The business man who cannot provide funds before his cheques are presented would then be obliged to purchase money orders, and those with whom he deals would not be put to any inconvenience from that procedure.

Staff Gossip

Harold Johnston has been transferred from the Avonlea branch of the Bank of Nova Scotia, to the Swift Current branch. —Enterprise, Rouleau

Cecil McAlpine, who has been on the Bank of Montreal staff at Exeter for some time, has been transferred to the St. Thomas branch of the bank.—Times-Journal, St. Thomas.

Charles Moore, who has been on the staff of the Canadian Bank of Commerce for the past eight months, has been transferred to the Milverton branch of the bank. Mr. Moore will be succeeded here by G. R. F. Mackenzie, of Milverton.—Mercury, Guelph.

Harry L. Hamilton, of the Bank of Montreal staff at Douglas, has been transferred to Bury, Quebec.—Courier, Perth.

Representatives of local banks and their friends were guests of the Detroit Bankers Club at dinner in the Detroit Athletic club recently. Clarence E. Little, president of the University of Michigan, was the speaker of the evening.

Guests from the Border Cities included A. M. Cowie, Dominion Bank; W. G. Lynch, Canadian Bank of Commerce; E. A. Holmes, Standard Bank; R. A. Winter, Bank of Montreal, S. A. Duke, Royal Bank; C. H. Pennefather, Royal Bank; E. F. Considine, H. L. Shade and Victor Slemen.—Star, Windsor.

ON BOARD OF TRADE

R. B. Buchanan, manager, the Canadian Bank of Commerce, Saint John, N. B., has been elected as the banker member of the council of the Saint John Board of Trade for the ensuing year.

Bank Assets Now Total Nearly Three Billions

Tendencies that have been noticeable of recent months in the position of Canadian banks continue to develop. The bank statement for October 30, showing the position of the chartered banks of Canada, as reported to the Dominion government, indicates further increase in savings deposits and current loans and declines in holdings of securities.

The statement shows the total assets of the banks as approaching very close to the three billion dollar mark, the amount being $2,913,009,993, an increase of $50,000,000 during the month and showing approximately the same increase over the same date last year.

Increase in call loans and current loans for the month indicates the developing strength of both Canadian business and Canadian security markets, while the slight decline in call loans abroad is probably a reflection of the slowing up in trading on the New York stock exchange.

Increase in circulation for the month is purely seasonal, in connection with crop movements. The increase in circulation is not great over last year.

It is to be noted that the item of non-current loans shows steady though moderate decline. The non-current loans of under $10,000,000 are not to be regarded as excessive in view of the large total of loans as a whole.

The Financial Post's own analysis of the bank statement is here given while the complete analysis appears elsewhere in the issue.

BANK STATEMENT FOR MONTH OF OCTOBER

Immediately Available Liquid Resources

Assets

	Oct., 1926	Sept., 1926	Change	Oct., 1925	Change
	$	$	$	$	$
Specie	69,082,382	62,491,166+	6,591,216	73,781,778—	4,699,396
Dom. Notes	123,723,866	122,067,101+	1,656,765	137,587,059—	13,863,193
Gold Reserves	67,660,332	64,610,332+	3,050,000	64,460,332+	3,200,000
U. K. Banks	11,939,721	12,166,450—	226,729	12,803,931—	864,210
Foreign Banks	60,774,631	56,800,253+	3,974,378	53,778,639+	6,995,992
Foreign Curr.	19,008,529	21,923,856—	2,915,327	24,154,805—	5,146,276
Govt. Secs.	324,720,630	344,195,394—	19,474,764	374,480,948—	49,760,318
Call Loans Abroad	267,903,188	260,763,965+	7,139,223	225,131,700+	42,771,488
	944,813,279	945,018,517—	205,238	966,179,192—	21,365,913
Loans and Securities Other Than Those of Canadian Government					
Pub. Secs.	119,789,822	122,220,061—	2,430,239	138,182,722—	18,392,900
Rly. Secs.	61,809,085	61,151,746+	657,339	60,423,239+	1,385,846
Can. Call Loans	148,809,182	141,837,903+	6,971,279	130,087,481+	18,721,701
Current	983,440,760	959,889,525+	23,551,235	906,249,140+	77,191,620
Loans Abroad	264,653,321	266,851,767—	2,198,446	227,968,359+	36,684,962
Prov. Loans	18,690,139	16,841,974+	1,848,165	25,405,745—	6,715,606
Municipal	68,247,625	68,849,856—	602,231	62,255,969+	5,991,656
	1,665,439,934	1,637,642,832+	27,797,102	1,550,572,655+	114,867,279
Other Assets					
Non-curr. Loans	9,962,574	10,004,879—	42,305	10,427,034—	464,460
Real Estate	8,125,363	8,273,217—	147,854	8,564,918—	439,555
Mortgages	5,955,898	5,902,651+	53,247	4,957,988+	997,910
Premises	71,183,156	71,262,034—	78,878	73,265,386—	2,082,230
Lets. of Credit	77,564,479	72,119,010+	5,445,469	65,470,048+	12,094,431
Loan to Comp.	5,842,613	5,841,677+	936	5,610,999+	231,614
Other Assets	2,956,751	2,748,417+	208,334	3,530,991—	574,240
	181,590,834	176,151,885+	5,438,949	171,827,364+	9,763,470
Total	2,791,844,047	2,758,813,234+	33,030,813	2,688,579,211+	103,264,836
Note Cir. Dep.	5,766,650	5,766,484+	166	5,798,789—	32,139
Int. Bank Bal.	136,691,780	122,127,352+	14,564,428	188,342,853—	51,651,073
Gross	2,934,302,477	2,886,707,070+	47,595,407	2,882,720,853+	51,581,624
LIABILITIES TO THE PUBLIC					
Liability to Government and Circulation					
Circulation	187,011,196	168,008,821+	19,002,375	186,296,589+	714,607
Dom. Govt.	18,349,410	52,223,357—	33,873,946	53,778,931—	35,429,521
Prov. Govt.	27,353,373	17,825,989+	9,527,384	19,567,865+	7,785,508
Govt. Advances	24,800,000	18,800,000+	6,000,000	15,650,000+	9,150,000
Deposits by Public					
Demand Dep.	575,930,066	558,415,604+	17,514,462	598,661,221—	22,731,155
Savings Dep.	1,347,564,144	1,335,895,766+	11,668,378	1,277,588,281+	69,975,863
Total	1,923,494,210	1,894,311,370+	29,182,840	1,876,249,502+	47,244,708
Foreign Dep.	333,785,806	326,255,121+	7,530,685	345,462,690—	11,676,884
Due Banks Abroad, Etc.					
United Kingdom	6,656,597	10,391,804—	3,735,207	3,189,140+	3,467,457
Foreign	40,324,490	34,719,157+	5,605,333	32,826,066+	7,498,424
Bills Pay.	11,334,598	12,382,713—	1,048,115	9,700,815+	1,633,783
Lets. of Credit	77,564,479	72,119,010+	5,445,469	65,470,048+	12,094,431
Other Liabilities	1,820,402	1,890,080—	69,678	1,374,762+	445,640
Public Liab.	2,652,494,561	2,608,927,422+	43,567,139	2,609,566,408+	42,928,153
Due Bet. Banks	15,927,857	10,365,899+	5,561,958	12,179,809+	3,748,048
Liability to Shareholders					
Dividends	1,986,069	700,129+	1,285,940	1,985,988+	81
Reserve	125,441,700	125,441,700	....	124,441,700+	1,000,000
Capital	117,159,806	117,124,011+	35,795	116,164,660+	995,146
Gross	2,913,099,998	2,862,559,161+	50,450,832	2,864,338,565+	48,671,428

Press and the Banks

The Bank Service

Port Arthur News-Chronicle.—Bankers and business men are beginning to realize that the general public is in need of a better understanding of the functions of banking in relation to the interests of the average individual. The public should be made to understand that banking is just as much a part of its daily needs as are grocery stores and trolley cars.

The bank is woven in the fabric of everyday existence, so that it is the lifeblood of our social and economic advance. The function and purposes, and in many cases the practices, of banks and financial institutions often are misunderstood or not accurately comprehended, through a lack of knowledge of the reason of their existence, and a lack of understanding of the part they play in the life of the community.

The great extension of the credit system and the payment of bills by checks and drafts as well as the financing of large business and other enterprises, has given the banking business a new meaning even to the large number of persons who do not make use of the banks for their personal convenience and the safety of their money.

Seven New Branches Opened in November

A net gain of two branches for the month of November is reported by the Canadian chartered banks. During the month seven new branches were opened, while five branches were closed. Following is a list of the branches opened and closed during the month:

Opened

Montreal—Breakeyville, Que.

Royal—Mount Royal, Que., Montreal, Snowdon Junction, P.Q., Pine Falls, Man.

Toronto—Neilburg, Sask.; Marwayne, Alta.; Clandowald, Alta.

Closed

Canadienne Nationale—St. Elzear de Beauce, Que.; Ste. Cecile de Milton, Que.

Provinciale — Breakeyville, sub-agency to Notre-Dame de Charny, Que.; Loiselleville, Ont.

Royal—Mirror, Alta., (destroyed by fire).

Canadian Fairbanks-Morse Earnings Said to be Up

From Our Own Correspondent.

MONTREAL. — The Canadian Fairbanks-Morse Company, it is understood, has been able to better its earnings substantially during the present year. The results of its operations will be seen in the annual report which will be published after the close of the year on December 31 next.

The company manufacture such a wide range of gas engines, pumps, valves and various mechanical goods, that naturally its earnings have reflected the better buying power which exists throughout the Dominion as a whole.

Weekly Bank Clearings

(In comparison with the same week last year)

Eastern Cities	Dec. 10, 1925	Dec. 9,1926
Halifax	$ 3,737,153	$ 2,047,548
St. John	3,109,365	2,897,696
Moncton	1,118,390	1,072,983
Sherbrooke	800,902	772,830
Quebec	5,492,383	11,225,581
Montreal	108,974,545	124,707,115
Ottawa	7,714,862	7,242,661
Kingston	844,691	866,412
Peterboro'	853,640	881,921
Toronto	112,278,133	119,341,493
Hamilton	5,578,343	5,935,242
Brantford	1,128,874	1,448,556
Chatham	....	567,493
London	2,840,023	3,077,743
Kitchener	1,010,165	995,264
Sarnia	....	762.136
Windsor	3,500,533	4,530,515
Total, East	$258,977,002	$287,043,560

Western Cities	Dec. 10, 1925	Dec. 9,1926
Fort William	$ 1,182,827	$ 1,698,543
Winnipeg	110,211,657	72,202,405
Brandon	706,217	739,583
Regina	6,980,636	5,859,275
Moose Jaw	1,880,973	1,680,506
Saskatoon	2,795,327	2,465,951
Prince Albert	502,379	507,506
Medicine Hat	489,549	335,815
Lethbridge	706,752	654,854
Calgary	9,933,007	10,228,917
Edmonton	5,530,029	6,479,743
N. Westminster	632,601	843,375
Vancouver	16,635,964	18,041,399
Victoria	2,190,477	2,201,369
Total, West	$160,377,895	$123,939,246

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Relate History of Early Banking in French Time

As it is more than 100 years since the first Canadian bank was given a charter the banking profession is by no means a newcomer in Canadian history. As early as 1792 there was issued the prospectus of a proposed bank to be known as the Canada Banking Company, but after two unsuccessful attempts it remained for the Bank of Montreal to begin business in 1817. Since then the Canadian banking system has kept pace with every important development in the country, until to-day, the rough and ready system of barter and exchange finds no place in what is now a complex and delicate organization.

Going Back Into History

To supply some accurate knowledge of the early history of currency and exchange in Canada, the Board of Historical Publications at Ottawa, is preparing six volumes dealing with the early documents of commerce and finance. Two of these volumes will deal with Canadian banking and exchange in the Maritime Provinces; two more will deal with Upper and Lower Canada, and the third set of the series will deal with currency, exchange and finance during the French period. This latter set has already been published and their publication should throw considerable light on the economic situation in those pioneer days.

In the introduction which is written by Adam Shortt, chairman of the Board, it is shown that the fundamental reason why the Indian disappeared, is the fact that he never became an "economic man" in the European sense of the word. The Indians being neither industrious nor mercenary, values to them depended not on cost of production, nor relative demand and supply, but upon immediate personal desire or even whim.

The documents trace the development of exchange over a period of about 100 years, starting with the dissolution of the Company of One Hundred Associates, which marked the first occasion when money began to be a central and determining factor in Canadian trade. The use of card money, bills of exchange, and the gradual introduction of coinage can be definitely traced, and the story is not without its humor. For instance in 1740, one document relates that wildcat skins (commonly called "cats") were regarded at Niagara Falls as the currency of the place, a blanket being worth eight cats. Then again there are sentences such as this: "The purchaser first gives notes which complete the bargain and which are always payable in money or codfish."

Parallel to World War

The introduction closes with this remark: "The history of the currency and exchange of Canada during the French regime—the most effective introduction to the economic history of the colony—furnishes many illustrations of the fact that the economic consequences of one world war, closely parallel those of another. Of this fact, the last great war, with its examples of depreciated currency and bankrupt finance, is but one more instance."

Book Reviews

Accounting Principles and Practice

When this book was reviewed in The Financial Post, it was stated that it was being published by Queen's University. While the book is one of the Queen's business studies, publication is being handled by the Ryerson Press, and orders for the book should be sent to them. Address, Toronto. Price $4.50.

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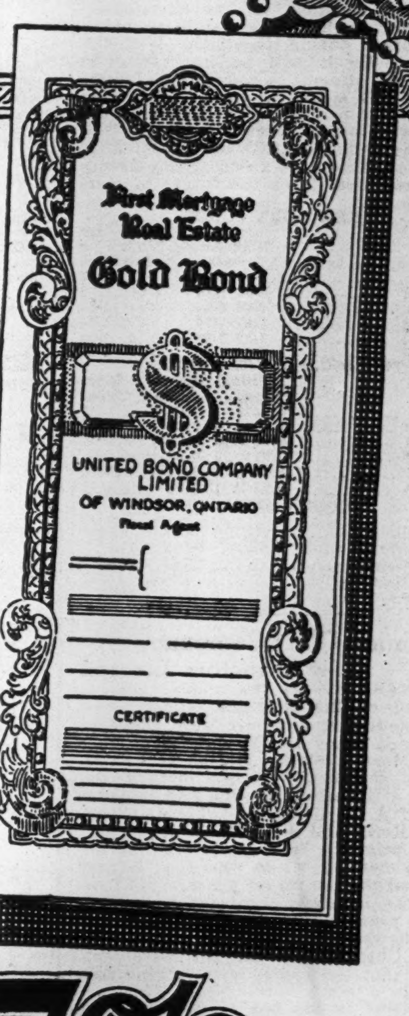

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CENTRAL CANADA
LOAN AND SAVINGS COMPANY

Quarterly Dividend and Bonus

Notice is hereby given that a

Quarterly Dividend of Three per cent. (3%)

for the three months ending December 31st, 1926, has been declared upon the Capital Stock of this Institution, together with a

Special Bonus of Three per cent. (3%) for the year 1926

making a total dividend distribution of fifteen per cent. (15%) for the year. Both the dividend and bonus will be payable at the offices of the Company, Toronto, on and after Monday, the 3rd day of January, 1927.

The Transfer Books will be closed from the 16th to the 31st of December, both days inclusive.

By order of the Board.

G. A. MORROW,
Managing Director

FOREIGN EXCHANGES

Speculative Orgy in All Exchanges

Conducted by S. J. ZACKS.

The week in the foreign exchanges was mixed, starting with record highs for French and Italian currencies, which were again swept upward in a crescendo of speculation. On Tuesday the franc and lire began to sag off, while sterling turned very strong. It is held in New York that British government operations were responsible for the liquidation of franc and lire and strength in sterling. Sterling's advance, which brought it to $4.85⅝, the highest it has reached in several months, is also attributed to the scarcity of commodity bills. The premium on United States funds continues firmly at 7/16 per cent., with trading very inactive.

A noteworthy characteristic in lire transactions is the gradual elimination of speculative trading, especially at New York. Bank balances in that currency are reduced to a minimum, while purchases and sales have come to be very largely for customers. Various restrictions placed by the Italian government to remove speculation are in part responsible. Overdrafts by foreigners are not permitted, and charges are even imposed for overdrafts which are immediately settled. On the other hand, it is extremely expensive to maintain balance without taking a speculative position.

The situation of the French franc is regarded as delicate. The difficulty largely lay in the immenseness of problems and the high degree of technique required for the fulfilment of a programme such as the Poincare revalorization programme. Will the Poincare administration know where to stop deflating? In the meantime the speculative element in the French franc is very great.

Britain's foreign trade figures to the end of November indicate that from May 1 exports from Great Britain went down £74,158,000, while imports went up £78,379,000, compared with the same period last year. Trade figures for November were gratifying in that the export surplus for that month was greater than for any other month during the strike. Great Britain, by attracting gold to London, by shipments of gold from Australia to New York on British account, etc., was able to stave off the adverse effects of accumulating liabilities to be met abroad during the strike. With the strike over, it will be interesting to watch the attempt to recapture lost markets. Will money be easier in London in 1927? If money is easier, to what extent will money rates go down? Will floating balances still be attracted to London? These are a few of the factors that bear heavily on the future of sterling.

NEW YORK FUNDS

	High Premium	Low Premium	Last Year High Premium	Last Year Low Premium
Dec. 9	1-8	3-32	1-32	1-64
Dec. 10	5-64	1-16	3-64	1-32
Dec. 11	1-16	3-64	3-64	1-64
Dec. 13	5-64	1-16	3-64	1-64
Dec. 14	3-32	3-32	3-64	3-64
Dec. 15	7-64	7-64	3-64	1-32

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
Dec. 9	4.84½	3.92¾	4.34¼
Dec. 10	4.84 9/16	3.91	4.36¼
Dec. 11	4.84 9/16	3.98¼	4.52¼
Dec. 13	4.84 9/16	3.99½	4.60¾
Dec. 14	4.84⅞	3.97¼	4.44½
Dec. 15	4.84 15/16	3.99	4.47¾

FOREIGN EXCHANGE

Par		Dec. 8	Dec. 15
19.30	Italian	4.83	4.50
32.45	Brazilian	12.12	11.81
23.82	German	23.81	23.83
19.30	Belgium	2.78½	2.78½
84.85	Japan	49.15	48.95

Dominion Glass Company New Directors Elected

MONTREAL.—At the annual general meeting of the Dominion Glass Company, four new directors were added to the board. They are: F. G. Daniels, Ross H. McMaster, Walter Molson and N. M. Yuile. The new directors occupy the places left vacant through the resignation of A. H. Grier, Hon. Lionel Guest, H. D. Herdt and Sir William Wiseman.

An optimistic feeling prevailed at the annual meeting, which was more largely attended than in recent years. This feeling was in sharp contrast with that which prevailed a year ago, when the outlook was much less promising.

Sir Charles Gordon, the president, stated that the company is looking forward to a much better year. The current fiscal period has started out better. With the new legislation in Ontario which is anticipated, business in that province should improve. Business is picking up in this province as well, he added.

Sir Charles drew attention to some favorable aspects of the statement for the fiscal year ended September 30,1926. He declared that sales had been higher than in the preceding year. During the first half of the year, profits were unsatisfactory, but they improved in the second half, so that the results for the whole year were better than anticipated.

He also drew attention to the liquid position of the company, which is still very satisfactory at around 2½ millions, although the company spent a good deal on property account during the year besides paying the usual dividends.

The bond sinking fund annual payment, he stated, has become quite a heavy charge, amounting now to $100,000 a year.

Sir Charles concluded by declaring that on the whole the position and outlook of the company and what has been accomplished during the past year should be gratifying to shareholders.

WAYAGAMACK PULP & PAPER COMPANY, LIMITED

Dividend No. 7

Notice is hereby given that a Dividend of Seventy-five Cents (75c.) per share has been declared on the No Par Value Common Stock of the Company, for the period ending 30th November, 1926, payable on the 3rd January, 1927, to Shareholders of record at the close of business on the 21st December, 1926.

By order of the Board.
D. L. ADAMS, Sec'y-Treas.

The Bank of Nova Scotia

Notice is hereby given that the Annual General Meeting of the Shareholders of this Bank will be held in the Banking House, Hollis Street, Halifax, on Wednesday, the 26th January next, at Eleven o'clock, a.m., for the purpose of receiving a statement of the affairs of the Bank, for the election of Directors and for other business.

By order of the Board,
J. A. McLEOD,
General Manager.

Halifax, N.S.,
December 15th, 1926.

COMMERCIAL FINANCE CORPORATION, LIMITED

DIVIDEND NOTICE

Preferred Dividend

A Dividend of Three and One-half per cent. (3½%) on the Preferred Stock of the Commercial Finance Corporation, Limited, has been declared for the half-year ending December 31st, 1926, payable on December 31st, 1926, to shareholders of record 20th of December, 1926.

Common Dividend

And a Dividend of Two Dollars ($2) per share on the Common Stock of the Commercial Finance Corporation, Limited, has been declared, payable December 31st, 1926, to shareholders of record 20th of December, 1926.

By Order of the Board.
THOS. LEEMING,
Secretary.

Toronto, December 13th, 1926.

DIVIDEND NOTICE
NO. 75

Imperial Royalties Company announces that the regular Monthly Dividend of one and one-half per cent. (1½%) will be payable on December 31st, to shareholders of record of December 25th.

This is Monthly Dividend No. 75 making a total of one hundred and thirty-three per cent. (133%) paid to shareholders since organization in April, 1920.

IMPERIAL ROYALTIES COMPANY
By J. E. Horn

K. H. Kompfe & Co.
Limited
Toronto and London
Ontario

THE NORTHERN MEXICO POWER AND DEVELOPMENT COMPANY. LIMITED

NOTICE IS HEREBY GIVEN THAT a quarterly dividend of One and Three Quarters (1¾) per cent. has this day been declared on the Preferred Stock of The Northern Mexico Power & Development Company, Limited, payable January Third, next, to shareholders of record at the close of business on the 22nd day of December, 1926.

A dividend of One (1) per cent. on the Common Stock of The Northern Mexico Power & Development Company, Limited, has this day been declared on the Fifteenth day of January next to shareholders of record on the books of the Company on the 31st day of December, 1926. By Order,
T. A. SPOOR, Secretary.

Railway Expansion May Better Business Level

From Our Own Correspondent.

MONTREAL.—During the coming year a large railway construction program seems to be in view. The Canadian National is said to be drawing up plans for a line into the Peace River district and the C.P.R. has several extensions in the West in view. There is some talk, too, of other railway projects.

The effect of any expansion in railway development would naturally be felt first of all by companies producing such basic commodities as steel. This would include Besco, Algoma and the Steel Company. Any expansion in railway activities which may take place in the coming year would naturally offset any declines in such industries as building, as far as the general level of business throughout the Dominion is concerned.

While there are indications of a decline in building in the United States, yet the factors affecting this branch of industry in that country do not apply to Canada. Therefore, the present talk of railway expansion in 1927 makes the outlook for the coming year the more cheerful.

THE CONSOLIDATED MINING & SMELTING COMPANY OF CANADA LIMITED

DIVIDEND No. 45

Notice is hereby given that a Dividend of Five Per Cent. (5%) on the paid-up Capital Stock of the Company for the six months ending December 31st, 1926, and a Bonus of Five Dollars ($5.00) per share, have this day been declared payable on the 15th January, 1927, to shareholders of record at the close of business on the 31st day of December, 1926.

By Order of the Board,
J. E. RILEY,
Secretary.

Montreal, December 14th, 1926.

Will be interested to represent a Mortgage Loan Company, in the cities of Montreal and Quebec. We can guarantee loans of about 3 or 4 millions a year. Write full information to

J. E. LAURIN LTEE.,
706 St. Gabriel, Montreal

Position Wanted

My experience as Organizer and Manager for over twenty years of a large and successful Real Estate Mortgage Loan business in Western Canada justifies me in offering my services to any company wishing either to commence or increase such business in the West.

Correspondence suggested leading to personal interview, either in Toronto or Montreal. Fully satisfying references available.

Address Box 340,
The Financial Post, Toronto

MONTREAL TRAMWAYS COMPANY

Dividend Notice

Notice is hereby given that a dividend of Two Dollars and Fifty Cents ($2.50) per Share for the quarter ending December 31st, 1926, has been declared upon the paid-up Capital Stock of the Company, to Shareholders of record on Friday, January 7th, 1927, at 4 o'clock p.m., payable on Saturday, the 15th day of January, 1927.

By order of the Board.
PATRICK DUBEE,
Secretary-Treasurer.

November 24th, 1926.

CANADIAN PACIFIC RAILWAY COMPANY

Dividend Notice

At a meeting of the Board of Directors held to-day a dividend of two and one-half per cent. on the Common Stock for the quarter ended 30th September last was declared from railway revenues and Special Income, payable 31st December next to Shareholders of record at three p.m. on 1st December next.

By order of the Board,
ERNEST ALEXANDER,
Secretary.

Montreal, 9th November, 1926.

THE TRINIDAD ELECTRIC COMPANY, LIMITED

Notice is hereby given that a dividend of 1¼ per cent. for the quarter ending Dec. 31st, 1926 on the Capital Stock of the Company has been declared.

Warrants will be issued and mailed to the address of each shareholder and are payable at the Royal Bank of Canada, Halifax, N. S., on and after the 10th of January, 1927.

The transfer books of the Company will be closed from the 1st to the 10th of January, 1927, both days inclusive.

By order of the Board,
F. B. OXLEY,
Secretary.

UNDER THE MANAGEMENT OF
POWER CORPORATION OF CANADA
LIMITED

Ottawa-Montreal Power Company, Limited

Preferred Stock—Dividend No. 8

NOTICE is hereby given that a Dividend of 1¾% (being at the rate of 7% per annum) has been declared on the 7% Cumulative Preferred Stock of OTTAWA-MONTREAL POWER COMPANY, LIMITED, for the Quarter ending December 30th, 1926, payable January 15th, 1927, to shareholders of record December 30th, 1926.

By order of the Board,
L. C. HASKELL, *Secretary.*

November 23rd, 1926.

Gotfredson Corporation Limited

DIVIDEND NOTICE

Notice is hereby given that the regular quarterly dividend of thirty-seven and one-half cents (37½c.) per share has been declared on the capital stock of Gotfredson Corporation Limited. This dividend is payable January 15, 1927, to shareholders of record as at the close of business December 31, 1926.

CHAS. S. PORTER,
Secretary and General Manager.

Walkerville, December 15, 1926.

The Steel Company of Canada, Ltd.

Preference Dividend No. 62

Notice is hereby given that a dividend of one and three-quarters per cent. on the issued and fully paid Preference shares of the Company has been declared for the quarter ending December 31st, 1926.

Ordinary Dividend No. 40

Notice is also given that a dividend of one and three-quarters per cent. on the issued and fully paid Ordinary shares of the Company has been declared for the quarter ending December 31st, 1926.

The above dividends are payable February 1st, 1927, to shareholders of record at close of business January 7th, 1927. By order of the Board,
H. S. ALEXANDER, Secretary.
December 8, 1926. Hamilton, Ontario,

CANADIAN LOCOMOTIVE COMPANY, LIMITED

Dividend No. 60

Notice is hereby given that quarterly dividend of one and three-quarters per cent. on the Preferred Stock was declared payable January 1, 1927, to shareholders of record December 20, 1926.

By order of the Board.
G. W. DALY,
Secretary.

Kingston, Ont., December 10, 1926.

DIVIDEND NOTICE.

THE COLONIAL INVESTMENT AND LOAN COMPANY

Yearly Dividend

Notice is hereby given that a Dividend of six per cent. on the Permanent Preference Stock of this Company has been declared for the year ending December 31st, 1926, and that the same will be payable on and after Friday, the 31st day of December next.

The transfer books of the Company will be closed from the 16th to the 31st of December inclusive.

By order of the Board.
A. J. JACKSON,
General Manager.

Dated this 14th day of December, 1926.

Abitibi Power & Paper Company Limited

Dividend Notice

Notice is hereby given that a quarterly dividend of 1¾% has been declared on the Preferred Stock of the Abitibi Power & Paper Company Limited, payable the 3rd day of January, 1927, to shareholders of record at the close of business the 20th day of December, 1926.

By Order of the Board,
W. H. SMITH,
Secretary-Treasurer.

THE PEOPLES LOAN & SAVINGS CORPORATION

London, Ont.

Dividend No. 63

Notice is hereby given that a dividend at the rate of 5½% per annum has been declared on the Paid-up Capital Stock of the Corporation for the half year ending December 31st, 1926. Transfer Books will be closed from the 24th to 31st of December, 1926, both days inclusive.

By order of the Board.
WM. SPITTAL, Sec.-Treas.

London, Ont., Nov. 9th, 1926.

Corporation Financing Industrial Expansion
Inquiries Invited
W. M. WILSON, President

Dominion Financial Corporation, Limited
232 St. James St., Montreal

DIVIDEND NOTICE

Monarch Mortgage & Investments Limited

PREFERRED DIVIDEND

Notice is hereby given that a dividend at the rate of Eight (8%) per cent. per annum for the half year period ending 31st December, 1926, will be paid 15th January 1927, to Preferred Shareholders of record December 31st, 1926.

COMMON DIVIDEND

There will also be paid at the same time a dividend at the rate of Two (2%) per cent. per annum on the Common shares, covering the six months period ending December 31st, 1926.

By Order of the Board,
EDWARD A. TANNER,
Secretary-Treasurer.
Toronto, December 9th, 1926.

THE B. GREENING WIRE COMPANY, LIMITED

Preference Dividend No. 14

Notice is hereby given that a quarterly dividend of one and three-quarters per cent. on the Preferred Shares of the Company has been declared payable January 1, 1927, to shareholders of record December 15, 1926.

F. J. MAW,
Secretary.

Hamilton, Ont., December 14, 1926.

THE PORTO RICO RAILWAYS COMPANY, LIMITED

Notice is hereby given that a quarterly dividend of One and Three Quarters (1¾%) per cent. has this day been declared on the Preferred Stock of The Porto Rico Railways Company, Limited, payable January third, next, to Shareholders of record at the close of business on the 15th day of December, 1926.

A dividend of One Per Cent. (1%) on the Common Stock of The Porto Rico Railways Company, Limited, has this day been declared payable on the Fifteenth day of January next to shareholders of record on the books of the Company on the 31st day of December, 1926.

By Order, T. A. SPOOR, Secretary.

Barcelona Traction, Light & Power Company, Limited

(Incorporated under the Laws of Canada)

NOTICE IS HEREBY GIVEN that the Board of Directors of the Barcelona Traction, Light & Power Company, Limited, have declared a dividend of one and three-quarters per cent. (1¾%) on the 7% Non-Cumulative Participating Preference Shares of the Company, payable on the 31st December, 1926, to all Shareholders of record at the close of business on the 21st December, 1926.

DATED at Toronto, Canada, 14th December, 1926.

R. H. MERRY,
Secretary.

NOTE—The Transfer Agents of the Company are National Trust Company, Limited, Toronto, Canada.

The London Agents of the Company are the Canadian and General Finance Company, Limited, 3 London Wall Buildings, London, E.C. 2.

Laurentide Company Limited

Dividend Notice

A Dividend of one and one-half per cent. (1½%) has this day been declared upon the Capital Stock of this Company for the quarter ending December 31st, 1926, payable January 3rd, 1927, to Shareholders of record at the close of business December 17th, 1926.

By order of the Board of Directors.
W. J. ROBINSON,
Secretary.

Montreal, Que., December 10th, 1926.

OTTAWA LIGHT HEAT & POWER COMPANY, LIMITED

Dividends

Notice is hereby given that the usual dividends have been declared for quarter ending December 31st, 1926, payable to Shareholders of record December 15th, as follows:

Preferred Stock: 1⅝%, (being at the rate of 6½% per annum), payable January 1st, 1927.

Common Stock: 1½%, (being at the rate of 6% per annum), payable December 31st, 1926.

The transfer books will not be closed.

By order.
D. R. STREET, Sec'y-Treas.
Ottawa, December 10th, 1926.

PROVINCIAL PAPER MILLS Limited

DIVIDEND NOTICE

Notice is hereby given that Dividends have been declared by PROVINCIAL PAPER MILLS LIMITED, as follows:

Regular Quarterly Dividend 1¾% on Preferred Stock.
Regular Quarterly Dividend 1½% on Common Stock.
Special Dividend 1% on Common Stock.

All payable January 3rd, 1927, to Shareholders of record as at close of business December 15th, 1926.

(Signed) W. S. BARBER,
Secretary.

THE SHERWIN - WILLIAMS COMPANY, of CANADA LTD.

Notice is hereby given that the twenty-fifth quarterly dividend of one and a half per cent. (1½%) for quarter ending November 30th, 1926, on the Common Stock of the Company has been declared payable to shareholders of record the 15th day of December, 1926, and that cheques will be mailed December 31st, 1926. Books not closed.

By order of the Board.
D. A. WHITTAKER,
Secretary-Treasurer.

Montreal, November 26th, 1926.

BILLING MACHINES FOR SALE

3 Elliott Fisher billing machines (fanfold type) two of the latest model. These machines are in perfect working order and capable of writing 900 invoices or statements in a day, producing as many as 12 clear copies at once. An opportunity for you to secure efficient billing equipment at a material saving.

Write Box 320,
FINANCIAL POST,
Toronto, Ont.

The Royal Bank of Canada

ANNUAL MEETING

THE Annual General Meeting of the Shareholders of the Bank will be held at the Head Office, 147 St. James Street, in the City of Montreal, on Thursday, the 13th day of January, 1927, at 11 o'clock, a.m.

C. E. NEILL,
General Manager.

Montreal, December 1, 1926.

The Canadian Bank of Commerce

The annual meeting of the shareholders of this Bank for the election of Directors, and for other business, will be held at its banking house, Nos. 23 to 25 King Street West, Toronto, on Tuesday, the 11th day of January next. The chair will be taken at 12 o'clock noon.

By order of the Board,
S. H. LOGAN,
General Manager.

Toronto, November 26th, 1926.

The Dominion Bank

NOTICE is hereby given that a Dividend of three per cent. upon the paid-up Capital Stock of this Institution has been declared for the quarter ending 31st December, 1926, and, in addition, a Bonus of one per cent. making a total distribution of thirteen per cent. for the current year—the Dividend and Bonus will be payable at the Head Office of the Bank and its Branches on and after Monday, the 3rd day of January, 1927, to Shareholders of record of 20th December, 1926.

The Annual General Meeting of the Shareholders will be held at the Head Office of the Bank, in Toronto, on Wednesday, the 26th January, 1927, at twelve o'clock noon.

By Order of the Board,
C. A. BOGERT,
General Manager.

Toronto, 25th November, 1926.

THE REAL ESTATE LOAN COMPANY OF CANADA, LIMITED

No. 28 Wellington Street East

DIVIDEND No. 80

Notice is hereby given that a Dividend at the rate of three and one-half per cent. for the half-year ending 31st inst. has been declared upon the Capital Stock of the Company and that the same will be payable at the Office of the Company on and after 3rd January, 1927, to Shareholders of Record of 18th December, 1926.

By order of the Board.
E. L. MORTON,
Managing Director.

Toronto, 18th December, 1926.

The Toronto Mortgage Company

Quarterly Dividend

Notice is hereby given that a Dividend of Two and one-half per cent., being at the rate of Ten per cent. per annum, upon the paid-up Capital Stock of this Company, has been declared for the current quarter, together with a Bonus for the year of One per cent., both payable on

1st January, 1927,

to Shareholders of record on the books of the Company at the close of business on 15th instant.

By order of the Board,
WALTER GILLESPIE, Manager.

Dominion Textile Company Limited

NOTICE OF DIVIDEND

A Dividend of One and Three-quarters per cent. (1¾%) on the Preferred Stock of DOMINION TEXTILE COMPANY, Limited, has been declared for the quarter ending December 31st, 1926, payable 15th January, 1927, to shareholders of record 31st December, 1926.

By order of the Board,
JAS. H. WEBB,
Secretary-Treasurer.

Montreal, November 25th, 1926.

The British Mortgage & Trust Corporation of Ontario

Dividend No. 96

Notice is hereby given that a dividend of 6% for the current half-year, being at the rate of 12% per annum on the paid-up capital stock of this Company has been declared, together with a bonus of 2% for the year ending 31st December, 1926, and that the same will be payable on Monday, the 3rd day of January, 1927, to shareholders of record at the close of business on the 27th day of December, 1926.

By order of the Board.
W. H. GREGORY,
Secretary.

Stratford, December 6th, 1926.

The Toronto General Trusts Corporation

DIVIDEND NO. 122

NOTICE is hereby given that a dividend of three per cent. (3%) has been declared upon the paid-up capital stock of this Corporation for the quarter ending December 31st, 1926, being at the rate of

TWELVE PER CENT. PER ANNUM

and that the same will be payable on and after Monday, the third day of January, 1927. The Transfer Books of the Corporation will be closed from Friday the 17th day of December, until Friday, the 31st day of December, both days inclusive.

By order of the Board of Directors.

W. G. WATSON,
General Manager.

Toronto, December 2nd, 1926.

Featuring Textile Industries

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

Special Section — Pages 17-24

PUBLICATION OFFICE: TORONTO, DECEMBER 17, 1926

Special Section — Pages 17-24

Better Situation Surrounds Canadian Cotton Companies

Have Made Satisfactory Progress But Experience Keen Competition With Foreign Manufacturers—Companies Will Grow in Future—A Canadian Owned Industry

The situation at present surrounding the manufacture of cotton textiles in Canada is the same which surrounds the industry throughout the world to-day. The reason for the depression which exists in this industry lies in the war time expansion, coupled with post-war changes in styles which led to a restricted use of cotton textiles. In Canada, the cotton textile situation has been aggravated by the increasing flow of foreign made cotton fabrics into the country, caused in part by tariff reductions and in part by world conditions.

Thus, since 1919, the earnings of the Canadian textile companies as a whole have been reduced. But an analysis of the earning power of the five leading textile companies listed on the Canadian exchanges over a period of seven years reveals the fact that the average earnings on the outstanding common stocks of these companies were higher in 1925 than they have been in any year since 1919 when the earnings of the textile industry were at a peak as a result of the post-war inflation. Earnings in the industry as a whole during 1926 have been much about the level of 1925.

Raw Cotton Has Declined

During the present year there has been a gradual downward trend to the price of raw cotton. The production in prices has naturally handicapped the industry; first of all, through some inventory losses and secondly, public buying is always better in a rising market.

The future of the industry depends upon the growth of Canada itself. As the country grows, so will the production from the present companies increase. Broadly speaking, this would indicate that the shareholder can expect but little appreciation in his holding of cotton textile stocks over the next few years. This is perhaps so, but at the same time the past record of the cotton textile companies coupled with their excellent management, proves that appreciation in the shares will not necessarily keep pace with the actual growth in the population of the Dominion.

U. K. Industry Depressed

Of course, the chief factor which prevents the return to improved earnings on the part of these companies lies in the world depression in the industry, especially in the industry in Great Britain, where British weavers and spinners have been having a thin time and have been constantly searching out new markets for their output and placing goods in Canada at very low prices. Many of the former British textile markets have been cut off, notably India, which has commenced to do its own spinning and weaving. Of the 156,000,000 spindles throughout the world, Great Britain has over 56,000,000; from this it will be seen how necessary it is for the Lancashire weavers to obtain markets.

Cotton Imports Tremendous

How great is this competition is seen in the fact that in the six months ending September, over 18,000,000 yards of yarn or piece dyed fabrics were imported into Canada. This figure, of course, is but a fraction of the total cotton fabric imports during the six months period.

The Canadian cotton mills are efficient. Many are superior to those of the United States and plants in this country employ up-to-date equipment and are efficient not only as units, but also from the point of

Continued on page 30)

U.S. Executive Says Our Mills Efficient

Recently, a prominent United States textile mill president spent several days in a Canadian mill, through the courtesy of the owners, comparing methods and costs in dyeing and finishing of woollens in Canada with the United States, and he has reported that, owing to the splendid scientific control, the cost of these operations were three and a half times less in the Canadian mill than in his own mill in the United States, which was supposed to be highly efficient.

Growth of Rayon Industry Affects Textile Companies

New Textile Should Tend to Increase the Demand for Other Fabrics — Affect on Wool and Cotton Companies — An Amazing Growth

The newest and perhaps most far-reaching development in the textile trade over the past hundred years has been the production of artificial silk, or as it is called, rayon. Until 1920, the manufacturer of artificial silk was hardly regarded seriously by the manufacturers of textiles. The situation to-day, though, has changed and now it enters into almost every branch of textile manufacture, and has long since ceased to vie with real silk in the matter of production. There is more rayon consumed to-day than real silk.

Useful in Combination

Although there are some grades of artificial silk which when woven produce excellent and lasting fabrics, yet, perhaps one of its chief functions is its use as a decorative material in combination with cottons and woollens. It now enters into almost every branch of textile manufacture. It is also used in conjunction with real silk.

Rayon sells at about one-third the price of the textile produced by the silk worm. The introduction of the new fabric has upset to some degree the methods of textile manufacture. Thus, in a measure, the textile trade to-day is going through a period of minor readjustment.

Has Changed Many Methods

New methods have had to be developed to combine rayon with other yarns; methods of dyeing have had to be altered and the process of weaving itself modified.

But the introduction of this new yarn presents certain handicaps to the textile industry for, in the past, the companies have made a portion of their profits from spinning raw cotton or raw wool into yarns and then weaving the yarns. To-day, in some cases, they lose a portion of the profit formerly made on the spinning machines.

From the consumer's viewpoint the introduction of artificial silk has helped to improve the appearance of many of the weaves and broadly speaking while certain readjustments are necessary, it seems a reasonable presumption that through increasing the attractiveness of the fabrics, the use of rayon will increase the demand for cotton and woollen fabrics from the textile mills.

How it is Manufactured

There are four different methods employed in the manufacture of rayon. All of these methods consist of the chemical treatment of the cellulose found in vegetable life, in order to turn it into fabrics.

Some rayon plants employ as their raw material wood pulp whilst others employ cotton linters.

About a year ago a rayon plant was opened at Cornwall, Ontario, by Courtalds of England. This company started out using Scandinavian pulp as its raw material, but it is understood it is now purchasing Canadian pulp.

Will Not Supplant Cotton

Although rayon is playing a more and more predominant part in the textile industry, there is no chance whatever of the new textile supplanting wool or cotton for its output is only about 4 per cent. of the former and 1½ per cent. of the latter.

Between 1920 and 1925 the demand for rayon was enormous. Mills were swamped with orders, and production never caught up with the demand. During the present year the situation was reversed, and there followed two cuts in rayon prices, both approximately of 10 per cent. The reduction in price naturally affected some of the textile companies, but in the long run the lower prices must make for an increased demand which in turn should benefit the textile manufacturers.

Nor Real Silk Either

There seems little doubt that rayon will not supplant any of the present yarns. The tendency has been for rayon to supplant rather than to replace natural silk, and in spite of the large growth of rayon imports into the United States, the imports of real silk since 1913 have more than doubled.

Perhaps artificial silk may help the cotton textile industry throughout the world to better its position—a position which during the past few years has been anything but happy and which naturally has reacted on the Canadian producers. There seems little doubt that the attractiveness which rayon adds to cotton should increase the demand for this material.

Another rayon plant is being erected at Drummondville. This is the Canadian Celanese Company, which is erecting a $9,000,000 plant. This company will not manufacture rayon proper, but celanese, an artificial silk of a higher grade, whose price has not declined this year.

A Tremendous Increase

The output of rayon in 1905 was negligible, and twenty years later, in 1925, the world output was nearly 200,000,000 pounds.

The credit for the early development of the industry is due mainly to French and Italian manufacturers who, after lengthy experience in the manufacture of natural silk materials, had the equipment and organization best adapted to produce rayon of a texture which would satisfy the consumer, but they had not large enough supplies of the raw material—wood—from which the principal constituent is obtained. As it requires nearly seven tons of wood to produce one ton of artificial silk, it will be recognized that a country such as Canada, with abundant forest and water power resources, is likely to become one of the most important centres for the production of this new fabric. These very resources have already brought the production of Canadian newsprint to the point where it is the highest in the world, and are now attracting the attention of rayon manufacturers, as is shown by the investment here, to date, of several million dollars in artificial silk mills.

Earnings of Cotton Textile Companies

CANADIAN COTTONS

Fiscal year	Common capital	Net earn. com.	P.C. earned on com.
	$	$	
1919 ...	2,715,500	1,031,093	37.97
1920 ...	2,715,500	253,835	9.35
1921 ...	2,715,500	241,457	8.88
1922 ...	2,715,500	280,094	10.31
1923 ...	2,715,500	226,515	8.34
1924 ...	2,715,500	219,668	8.09
1925 ...	2,715,500	244,369	9.00

DOMINION TEXTILES

Fiscal year	Common capital	Net earn. com.	P.C. earned on com.
1919* ..	15,000,000	2,659,888	53.19
1920* ..	15,000,000	1,103,961	22.08
1921* ..	15,000,000	1,083,548	21.67
1922* ..	15,000,000	971,109	19.42
1923 ...	15,000,000	930,092	$4.13
1924 ...	15,000,000	1,175,013	$5.22
1925 ...	15,000,000	1,459,147	$6.49

*Outstanding capital, $5,000,000. Taken at $15,000,000 to maintain balance of average.

MONTREAL COTTONS

Fiscal year	Common capital	Net earn. com.	P.C. earned on com.
1919 ...	3,000,000	452,538	15.08
1920 ...	3,000,000	407,252	13.57
1921 ...	3,000,000	218,127	7.27
1922 ...	3,000,000	243,411	8.11
1923 ...	3,000,000	242,841	8.09
1924 ...	3,000,000	206,057	6.87
1925 ...	3,000,000	269,015	8.97

PENMANS

Fiscal year	Common capital	Net earn. com.	P.C. earned on com.
	$	$	
1919 ...	2,150,600	803,815	37.33
1920 ...	2,150,600	250,806	11.66
1921 ...	2,150,600	59,356	2.76
1922 ...	2,150,600	367,231	17.07
1923 ...	2,150,600	368,449	17.13
1924 ...	2,150,600	286,873	13.34
1925 ...	2,150,000	298,531	13.88

WABASSO COTTON

Fiscal year	Common capital	Net earn. com.	P.C. earned on com.
1919 ...	1,750,000	323,541	$18.49
1920 ...	1,750,000	336,016	19.20
1921 ...	1,750,000	283,103	8.09
1922 ...	1,750,000	243,774	6.96
1923 ...	1,750,000	206,954	6.00
1924 ...	1,750,000	143,153	4.09
1925 ...	1,750,000	158,735	4.54

RECAPITULATION

Fiscal year	Common capital	Net earn. com.	P.C. earned on com.
1919 ...	24,616,100	5,270,875	21.41
1920 ...	24,616,100	2,351,870	9.55
1921 ...	24,616,100	1,885,591	7.66
1922 ...	24,616,100	2,105,619	8.55
1923 ...	24,616,100	1,974,851	8.02
1924 ...	24,616,100	2,030,764	8.25
1925 ...	24,615,500	2,429,797	9.87
6 year Aver. ..	24,616,070	2,578,481	10.88

Woollen Weavers Are Now Between Devil and Deep Sea

If Plants Stay Open, Money Lost — If Plants Close, Lose Money Too — Flood of Imports from England and Europe Steadily Mounts—Per Capita Imports Large

The fact that the Canadian woollen industry is in a bad way is obvious. All across the Dominion, closed worsted or woollen mills are familiar objects. It is worth while looking into the conditions which now surround this industry and have surrounded it for a number of years past in order to understand some of the reasons for such a situation.

Perhaps the chief reason for the depression in the industry lies in the tariff measures which have been put into effect. Several of these tariff changes have taken place within recent years; in June, 1922, and again in May, 1923 duties were lowered on woollens from Great Britain. The tariff was lowered also on goods from France in 1923 and subsequently Italy, Switzerland and Belgium were given the same advantages as France. The effect of these tariff reductions proved a great stimulus to the imports of woollens. In 1921-22 Canada imported from France $699,838. This figure steadily rose until in 1924-25 the imports totalled $3,284,976. It is still increasing.

Problems in the Industry

Practically all these consist of worsted dress fabrics, and such a large increase was a heavy blow to the Canadian manufacturer.

Then again there is the depreciated currency problem. Invoices with some countries whose currencies are below par are valued at the depreciated price for the purpose of assisting duty. Obviously, the countries in this condition have a decided advantage in the matter of exports.

The same thing is seen in England where the pushing of the pound sterling back to par brought a surge of imports into that country and cost the United Kingdom millions of pounds.

Even More Depressed Here

One of the reasons for the depression in the Canadian woollen weaving industry lies in the fact that the depressed condition of the trade is more or less world-wide. War conditions brought about over-expansion in the industry throughout the world, changing fashions reduced perhaps some of the wool consumed and the purchasing power of the world at large was greatly reduced.

But in England, the woollen trade is no more depressed than most of the other industries in that country; whereas in Canada, this industry stands out in distinct contrast to the progress of most of our other industrial efforts since the 1920-21 deflation. Because of the boom which depreciated currency gave to France and Germany, the woollen trade in these countries is fairly prosperous, to the detriment of the British and Canadian manufacturers.

Ten Times Larger Than U.S.

While there is undoubtedly some depression in the woollen industry in the States, yet it is certainly not as great as in this country. This is accounted for by the fact that the U.S. imports in cloth, carpets, knit goods, yarns, about 42c. per capita per year; whereas woollen imports into Canada total $4.66 per capita per annum.

Returning to the Canadian industry, there seems little doubt that the depression has not been caused through over-expansion during the war. The depression has been caused solely by the foreign competition.

Import Figures Large

The Canadian import figures indicate very clearly how the foreign woollen manufacturers are increasing their business in this country. For the six months' period ending September last, the imports of worsteds and serges compare with the same period of 1925 as follows:

	Value	Yards
6 months ending Sept., 1925 ..	$5,846,620	4,223,748
6 months ending Sept., 1926 ..	6,708,049	5,026,818

The foregoing figures tell only a part of the story for other imports, such as blankets and flannels, also reveal the same situation.

Owing to the inadequacy of the tariff on woollens, during the past year, there have been no adequate financial returns for the energy and courage displayed by the Canadians engaged in, and the Canadian capital employed in the wool weaving industry.

The woollen and worsted cloth mills have never faced more difficult times in all their history, and the knitting mills have found business not more satisfactory than in preceding years.

Situation at the Mills

During the first three months of 1926, Canada, because of reduction in tariff below the safety line, imported from Great Britain 1,250000 square yards of worsted and serges more than were imported during the same three months of 1925. The condition is significant.

There are a large number of cloth mills in Canada closed down or working part time. Those which are working are not meeting more than bare operating charges. This means that the majority of mills are faced with the choice of either continuing to operate at a loss, in the hope that conditions will improve shortly, or must incur the heavy losses incidental to closing down, together with the loss of dispersing their trained workers.

Due Only to Imports

It has been said that the unsatisfactory state of the wool weaving industry in Canada is due to the changes in fashions, and that less wool is now being worn. But the total consumption of woollen goods in Canada is represented by the sum of imported goods and those produced by Canadian mills, and since about 80 per cent. of the total consumption of Canada is all that is required, if the goods be made here, to keep every mill busy and engaging new employees, it will immediately be seen that the depression has not been caused by any decrease in the demand for woollen materials. This also explodes the idea that the depression in the woollen weaving industry in Canada has been caused by world-wide conditions and not by tremendous and increasing importations, although the former is naturally partly responsible for the present situation.

If the figures of woollen imports are examined in detail, together with the production in Canada, and a knowledge of the consumer market, it will be seen that where the workers in Great Britain and on the Continent got increased business it was taken away from the workers in Canada. The workers in Canada cannot be employed in manufacturing goods when they are imported, so the importations throw Canadians out of employment. The argument that the public may profit by the demoralized prices that prevail when an industry is being depressed is more specious than sound, for it amounts to the proposition that the community profits in the end by the ruin of some of its members.

Uses Domestic Wools

What is true is that losses due to demoralization of any particular industry caused by ignorant or prejudiced legislation destroys that much of the accumulated capital of a community and is taken from the common fund which is the life blood of the economic organization of the community.

There is held by many people in Canada an entirely erroneous idea that Canadian mills do not use a substantial portion of the Canadian wool clip. According to Government figures, however, Canada retains 68 per cent. of her clip and exports 32 per cent. Contrast this to Great Britain which retains 43 per cent. of her wool and exports 57 per cent. In this connection it must be remembered that there is a tremendous importation into Canada of classes and kinds of goods which could be made in Canada from Canadian wool.

Woollen Trades to Present Case

It is understood that the woollen weaving companies will shortly present their case to the Tariff Board. Since the war, these companies have experienced two 2½ per cent. reductions in the tariff —that is, the tariff as applied to the United Kingdom. Other reductions have also been made to other countries. Under the old Laurier regime, the woollen companies were operating fairly satisfactorily but the 5 per cent. less protection which has been afforded them since the conclusion of the war has very adversely affected the whole industry.

If the status quo with regard to the tariff is maintained, even more woollen plants will go out of business. However, if the old Laurier tariff is resumed—and it can be resumed with little, if any, increase in the cost of the finished product to the consumer—it should mean that this industry as a whole will be revised and will find its feet.

The increased tariff for which this section of the textile industry is asking is really only fractional, and largely affects the British preference.

Record of the Textile Stocks

	Div. Rate	Yield Dec. 11	Range 1924 High	Range 1924 Low	Range 1925 High	Range 1925 Low	Range 1926 High	Range 1926 Low	Price Dec. 11 (or last)
Can. Conn. C. pf.	1	...	85¼	39	51¼	39	49	35	35
Can. Converters	7	6.93	90	70	95	80	104	90	101
Can. Cot. com...	8	6.80	110	85½	124½	106	124	113	117½
Do. pref.	6	6.31	91	86½	96½	90	99½	92½	95
Can. Wool, com.	.	...	7⅛	4	15	5½	8	4	6
Do., pref.	.	...	42½	33	61	41	56	45	52½
Cosmos Im., com.	.	...	..	..	..	..	16½	14¾	16
Do., pref.	.	...	..	..	..	..	93½	92½	93¼
Dom. Tex., com.	5	4.95	67¼	53¾	95½	66	103	89	101
Do., pref.	7	5.83	110	104¼	119	111	122	115	120
Monarch K., com.	.	...	25	25	30	30	10	10	10
Do., pref.	.	...	82	65	80	45	55	30	55
Mont. Cot., com.	6	5.55	100	89½	105	95	115½	102	108
Do., pref.	7	6.08	107¼	104	117½	109	115½	110	115
Paton Mfg., com.	.	...	..	..	..	..	55	50	54
Do., pref.	.	...	..	..	..	..	100	75	99¾
Penmans, com...	8	4.39	164½	134½	185	144	191	173	182
Do., pref.	6	5.88	101	92	105⅝	99	104½	100¼	102
Wabasso Cotton	4	4.08	72	47	66½	55¼	100	60	98

CANADA COULD MAKE BIG STEPS IN WOOL GROWING

Become Sheep Raising Country Through Woollen Industry

NOW LOSING OUT

Proper Encouragement to the Woollen Industries Would Give Country Bigger Agricultural Prosperity

As far as can be ascertained there are no climatic, physical or other reasons why the Dominion should not eventually become a great wool growing, mutton producing and woollen manufacturing country. Canadian sheep at International fairs are of as fine a quality as those found anywhere.

Many parts of the country are well suited to the raising of sheep—conditions in many places in Ontario, Quebec and the maritimes are very similar to those found in Wales and Scotland in the chief sheep growing districts.

If the wool growing and wool working industries in Canada were properly safeguarded, there would be supplied a much larger and more diversified employment demand both for industrial and agricultural workers.

Started by French Colonists

In the early days, the colonists from France brought their sheep with them, and during the winter months employed their time in manufacturing the wool from the sheep into clothing. This was the start of the woollen textile industry in Canada. In 1897 a system of specially low duties on British goods was granted by Canada, and in 1900 this was increased to one-third below the general tariff level. These lower duties are known as the "British Preference." The United Kingdom has the advantage of mass production and lower wages, and with the advent of the preference, about half the cards and looms in Canada were forced to cease operating.

Up to that time, the increase in the number of sheep in this country was keeping pace with other live stock. The effect of the British preference is seen in the fact that to-day there are practically no more sheep in Canada than at the beginning of the century.

Farmers Lost Their Market

When the Canadian mills closed, the farmers lost their markets, and as there was no machinery available for grading and preparing the wool, they did not find markets abroad.

Up to the time of the war, the knitting and woollen industry in Canada was making some progress, and during the war period it became firmly established through the great pressure for quantity production from the government.

The result was that Canadian woollen mills to-day are up-to-date, and while there are some British mills which are better, there are a great many more which are not up to the standard which prevails in the Dominion.

In 1922 the duties on woollen and knitted goods entering Canada from Great Britain were further reduced. In 1923 the duties were again reduced. In 1923 the duty on goods from France was also lowered and in 1924, Belgium, Italy and Switzerland were granted the French rate. In 1924 also, the safeguards against the too easy importation of goods from Germany were removed.

Canadian Standards Higher

As the wages paid in Canada are double those of Great Britain, and four times those of France, and because Canadian factories must conform to certain regulations which ensure a certain standard of living and conditions of employment to operators, it is practically impossible for Canadian mills to compete on an equal basis with the mills on the Continent.

It is not claimed that the reductions in duties have resulted in the closing down of all mills in Canada. Such a statement would be as untrue and absurd as the statement which has been made that the importations were making for healthy competition, keeping the manufacturer on the alert and developing his spirit of initiative. Mills working on a class or kind or goods which are distinctively Canadian, and which are not manufactured abroad, are not directly affected by the importations.

Would Have Made Jobs

It is claimed that instead of the duties being lowered in 1922 and 1923, they should have been raised in 1921, as was done in the United States, and that adequate safeguards should have been established to deal with the effect of depreciated currency, for the reductions have resulted in placing the entire woollen industry in Canada in jeopardy, in making many woollen mills work without profit, in making many mills work on part time, and actually closing down some mills and shrowing others into bankruptcy.

On the other hand if the bulk of the imported woollen and knit goods had been made in Canada, employment would have been given to about twice as many operatives in the mills.

Dominion Textile

Earnings Have Been Maintained During the Year — Past Record Inspires Investors' Confidence in Future — Largest Operator in Dominion

For the first three quarters of the present fiscal year, the earnings of the Dominion Textile Company have been at about much the same level as last year, although competition has been somewhat more severe than in 1925.

The company owns eight cotton plants which take the raw material, spin and weave it. It owns also a bleachery and print works and turns out the product in every conceivable form from string to cotton blankets. The number of lines manufactured by this, the largest of the Canadian textile companies, is surprising. It produces over 3,000 different lines. This gives some idea of the magnitude of its operations. It also turns out practically every variety of yarn. Such a wide variety of lines means that with changing fashions the company must naturally arrange to carry large stocks of some lines over long periods. The company operates 11,058 looms and 530,000 spindles. It occupies over 80 acres of floor space and uses 20,000 horsepower, a large amount of which is owned outright by the company. It employs 6,500 hands.

The showing this company has made has been remarkable, contending as it has with competition from countries with a depreciated currency and a preferential tariff.

Pound Par Is Help

The return to parity of the pound sterling has proved of value to the Dominion Textile, for it is British competition rather than that from American mills which the Canadian textile industry has difficulty in meeting.

The stock of Dominion Textiles was split three for one at the end of 1922; this year the stock has been making new high level records. There seems no reason to doubt that it will continue to make progress in the future, although possibly not as rapidly as it has done in the past. Like Montreal Cottons and Canadian Cotton, the Dominion Textile balance sheet has always shown great strength. The liquid position as shown at the end of March 30 last was exceptional, in that the ratio of the current assets to current liabilities stood at about eight to one and the net working capital at over $9,000,000.

One of the features of this company is the fact that its raw material is not purchased through brokers, but it maintains its own buyers in the southern states who purchase the raw cotton requirements.

The company's fiscal year ends on March 31. In this connection, it is to be remembered that the company has more than three of its best months ahead of it before completing its year.

First incorporated in 1905, The Dominion Textile Company acquired the business of four companies. At that time textile production in Canada was a small item in the national production, but even then, the company was the leading producer of textiles in the Dominion. Its leadership has continued—to-day it is still the dominant producer of cotton textiles in Canada.

During the past twenty years the output has increased both in quantity and variety. Included in its range of products is practically every variety of cotton yarn and weave.

Capitalization—

Pref., 7% cumulative $1,940,600
Common, no par value, 225,000 shares.
Common stock was split in three at the beginning of 1923.

Funded Debt—

First and refunding mortgage 6 per cent. bonds due September 1, 1949, $5,172,000.

Dividend Record—

Preferred paid regularly quarterly. Common increased from 6 per cent. to 7 per cent. June, 1917; from 7 to 8 per cent. June, 1918; from 8 to 10 per cent. June, 1920; from 10 to 12 per cent. June, 1921; from June, 1923, 4 per cent., increased to 5 per cent. April, 1925.

Officers and Directors—

Sir Charles B. Gordon, pres., Sir Herbert S. Holt, vice-pres., W. A. Black, C. R. Hosmer, F. G. Daniels, man.-dir., J. P. Black, J. H. Webb, sec.-treas., J. A. Fish, asst. sec.-treas.

Profit and Loss—

As at March 31.

	1924	1925
Manf. prof. & inv.	$1,948,668	$1,905,309
Less bond int.	637,812	310,320
Net profits	$1,310,856	$1,594,989
Pref. dividend	135,842	135,842
Com. dividend	900,000	1,125,000
Surplus for year	$ 275,014	$ 334,147
Pref. balance	5,390,002	5,665,017
	$5,665,016	$5,999,164

Earning Rate—

	1924	1925
Per cent. on com.	5.26	6.48
Per cent. on pref.	62.91	81.19

Eight Years' Earnings—

Year	Earnings	Dividends	Surplus
1918 ..	$1,873,371	$ 485,842	$2,189,194
1919 ..	3,434,752	535,842	3,349,033
1920 ..	1,845,375	535,842	4,053,044
1921 ..	1,931,010	635,842	4,636,591
1922 ..	1,907,237	735,842	5,007,700
1924 ..	1,767,529	1,035,842	5,390,002
1925 ..	1,948,668	1,035,842	5,665,016
1926 ..	1,905,309	1,260,842	5,999,164

Market Record—

	1924		1925		1926	
	H	L	H	L	H	L
Com.	67¼	53¾	95½	66	103	89
Pref.	110	104¼	119	111	122	115

Montreal Cottons

An Old Established and Long Successful Company — Has Been Operating Full Time — Outlook Satisfactory

The Montreal Cottons concludes its fiscal year at the close of this month, and the outlook for earnings appears to be satisfactory, for the plant has been operating full time all year. In common with all other textile manufacturers, the company has been somewhat handicapped by the rapid change of the fashions. One of the present trends in the industry seems to be more frequently changes in style and consequently this results in higher overhead charges for the manufacturer. The Montreal Cottons export trade with Australia has not come up to the expectations of a year ago when it was thought that the company might be able to increase materially its sales there.

Montreal Cottons, although technically incorporated in 1911, really extends back to the first decade of Confederation. The Montreal Cotton Company, which is, to all intents and purposes, the same organization, had accumulated a large surplus, and, in order that it might be divided among the shareholders, a new company was formed and the shareholders given an exchange for each share, one share of preferred and one share of common in the new; that is, the present company.

Since 1911 the new company has paid dividends of 7 per cent. on its preferred stock. Dividends on the common stock were initiated in 1912 at the rate of 4 per cent., this rate being maintained until the middle of 1919, when it was changed to 5 per cent. In 1920 it was increased to 6 per cent., and this is still being maintained.

All operations are carried out bv its subsidiary, the Montreal Cotton Company, in which the parent company owns practically all the stock. It was only in 1924 that the annual report was for the first time incorporated with that of its subsidiary, the Montreal Cotton Co.

The mills are located in Valleyfield, Quebec, where also is the company's head office, but the annual meetings are usually held in Montreal. The mills contain 200,000 spindles and 5,000 looms, which have a daily capacity of 125,000 yards and a weekly production of 160,000 lbs. The business consists of the spinning, weaving, dyeing, bleaching and finishing cotton textiles. It is under exceptionally capable management and has made steady progress.

The output consists largely of piece dyed materials, including a large variety of rayon and cotton mixtures and drapery and dress goods, shirting and costume cloths.

Montreal Cottons sells the wholesale trade and also to other manufacturers. Since its inception, its output has steadily widened.

The company's mills can compete with lines manufactured anywhere; its export trade with Australia indicates this. The past year has seen an increased use of rayon by the company, both in combination with cotton yarns and also in fabrics made entirely from this new textile.

The company is solidly entrenched both in the industry and in a financial way. This, coupled with its capable management, indicates that over a term of years should bring increasing returns to the shareholders.

Capitalization—

	Authorized	Outstanding
Common	$5,000,000	$3,000,000
Preferred	5,000,000	3,000,000

7 per cent. cumulative. No voting power.

Funded Debt—

First mortgage 5 per cent. bonds of Montreal Cottons due Nov. 1, 1943, $602,981.

Dividend Record—

Preferred paid regularly quarterly, Mar., June, Sept. and Dec. 15.
Common 6 per cent. per annum. Increased from 4 to 5 per cent. Sept., 1919; increased to 6 per cent. March, 1920.

Officers and Directors—

Sir C. Gordon, pres., Sir H. Holt, vice-pres., F. G. Daniels, Hon. R. Dandurand, Lt.-Col. A. Hamilton Gault, Wm. Finley, J. B. Black, F. W. Molson, John Lowe, gen. mgr. and sec.-treas.

Profit and Loss— ... ...

	1924	1925
Manuf. profits	$ 275,641	$ 446,329
Int. from invest.	176,402	63,627
Total income	$ 452,033	$ 509,956
Bond interest	30,003	29,954
Bad debts	326	987
Taxes	5,647	....
	35,976	30,941
Net income	$ 416,057	$ 479,015
Pref. dividends	210,000	210,000
Com. dividends	180,000	180,000
Surplus	$ 26,057	$ 89,015
Prev. surplus	1,118,655	*1,125,836
P. & L. surp.	$1,144,712	$1,214,851

Earning Rate—

	1924	1925
% on com.	6.86	8.33
% on pref.	13.86	15.33

*Income tax for 1924 deducted.

Nine Years' Earnings—

Year Dec. 31.	Earnings	Dividends	Surplus
1917 ..	$ 496,607	$ 330,000	$2,331,208
1918 ..	720,649	330,000	2,420,383
1919 ..	1,014,204	345,000	2,771,603
1920 ..	808,814	390,000	3,089,141
1921 ..	480,718	390,000	3,268,542
1922 ..	534,442	390,000	4,055,814
1923 ..	535,552	390,000	4,118,656
1924 ..	452,033	390,000	*1,144,712
1925 ..	509,956	390,000	1,214,851

*Surplus shows a drop of $3,000,000 due to the fact that in previous balance sheets $3,000,000 preferred shares were not shown in liabilities.

Market Record—

	1924		1925		1926	
	H	L	H	L	H	L
Com.	100	89½	105	95	115½	102
Pref.	107¼	104	117½	109	115½	110
Bonds	94	89	92⅜	90¼	...	..

Canadian Celanese

Buildings Erected and Good Progress Made in Merchandising Celanese

This company was financed at the beginning of the year by an issue of preferred stock totalling $7,200,000. The plant of Drummondville, P.Q., is now under construction. The roofs have gone on the buildings, but not until September, 1927 will the company commence turning out celanese yarn. The latter is a high grade artificial silk made from a base of cotton linters.

By March of 1927 the company will begin weaving imported yarns. But this is not the chief end of its business which will consist of the actual manufacture of celanese. A great deal of intricate machinery is required for the latter process; hence the plant will be in a position to produce some fabrics before it enters the actual manufacture of the yarns.

In the meantime the company has commenced merchandising operations and has experienced very substantial and satisfactory results by importing celanese fabrics and knitted goods from England and the United States. Thus, when the plant enters production, the distribution channels for the product will be open.

Although rayon prices have declined twice during this year, it is significant that the British company manufacturing celanese has been able to increase its prices, whilst the price of the product from the celanese company in the United States has remained steady. All of which has a definite bearing on the quality of celanese as compared with other artificial silks.

The company owns the entire manufacturing rights of celanese in Canada under the Dreyfus patents and also the rights to the various by-products which may be manufactured in this process. These include such materials as non-inflammable celluloid and the bases for the manufacture of certain lacquers.

Under its agreement with the owners of the patents, the company has the right to acquire without cost further inventions or improvements which the associated British and U.S. companies discover. When the plant is completed, it will have a daily capacity of two tons of silk per day.

Capitalization—

	Authorized	Outstanding
Common (No par value).	300,000 shs.	233,800 shs.
Preferred 7% cumulative, par $100.	$15,000,000	$7,200,000

Officers and Directors—

Dr. Camille Dreyfus, pres.; Brig.-Gen. Sir W. Alexander, C. L. Auger, Lee Cadein, W. McC. Cameron, Dr. Henri Dreyfus, A. J. Nesbitt, G. W. Scott, G. H. Whigham.

DOMINION LINENS HURT BY IMPORTS

European Competition Affects Adversely Manufacture of Goods in Canada

Shareholders in Dominion Linens have been experiencing disappointing times in recent years due to the falling off in consumption and the competition from European countries, due to inadequate protection and the low production costs in the countries of origin. However, there are some signs of a revival in consumption of linens and it can be hoped that this Canadian company will get its share of the business in the face of the competition from countries where wages and standards of living are lower.

The flax spinning business which was moved two years ago to the United States, to Lockport, N.Y., is a fairly active subsidiary, but there are reported to be continued losses in the operation of the main factory at Guelph. The company's plants there have been operating on only part time, but so far the threatened sale of the machinery outside the country has not been consummated.

Capitalization—

	Authorized	Outstanding
Common	$200,000	$200,000
Preferred 7%	350,000	350,000

No funded debt.

Dividend Record—

Preferred 7 per cent. per annum, paid regularly to and including July, 1923, none since; common 5 per cent. paid April, 1920; none since.

Officers and Directors—

D. M. Sanson, pres.; W. Berry, vice-pres.; G. D. Perry, Geo. H. Muntz, G. H. Townsend, E. A. MacDonald, R. W. Stratton, H. A. Hignell, sec.-treas.

Profit and Loss—

	1923	1924
Net profit	$ 4,482	*$11,372
Reserve	3,141	......
Balance forward	27,588	22,962
Surplus account	....	8,738
	35,211	20,328
Preferred dividend	12,250	.....
Written off	......	20,000
Balance	22,962	328

Six Years' Earnings—

Year	Earnings	Dividends	Surplus
1919	$76,190	$24,500	$49,594
1920	58,872	34,500	35,169
1921	56,820	24,500	26,399
1922	37,768	24,500	27,588
1923	4,482	12,250	22,962
1924	*11,372	....	328

*Loss.

Dominion and Provincial Government Bonds

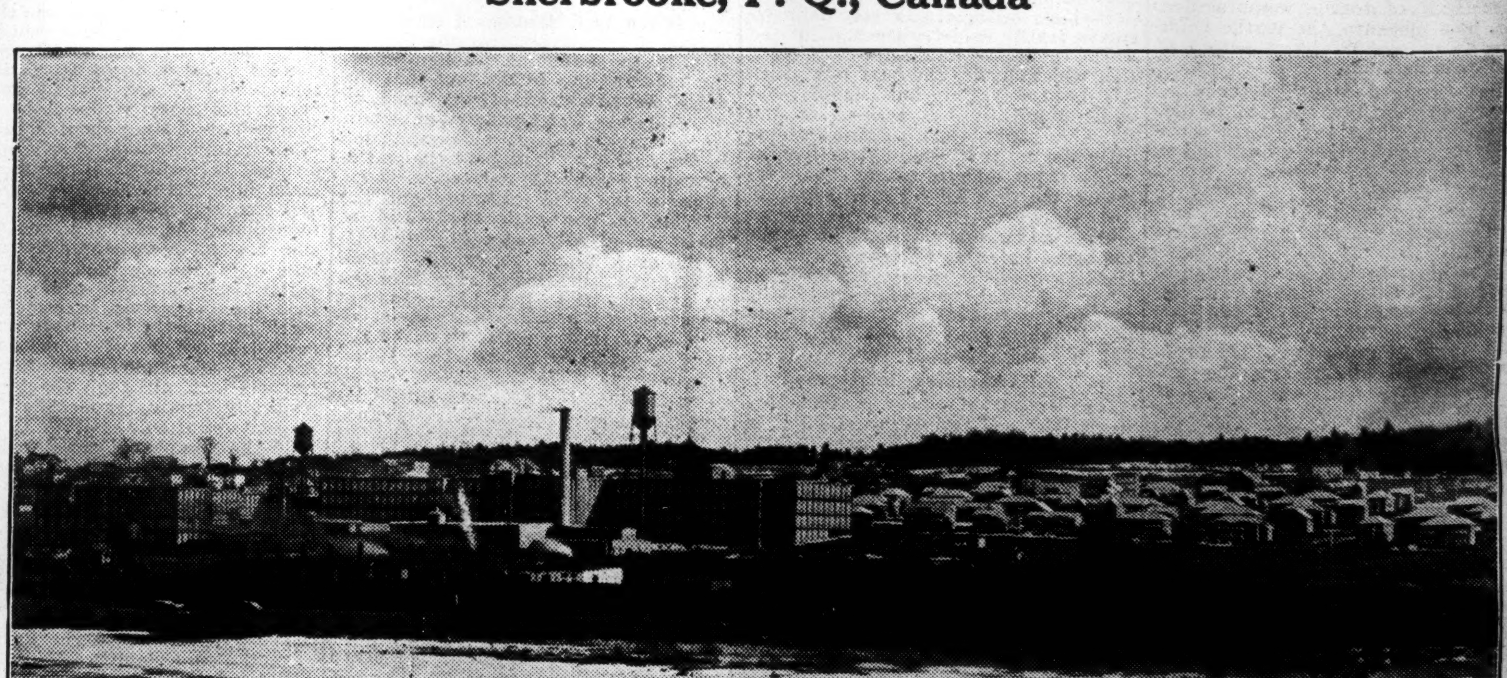
Municipal Bonds

Public Utility and Industrial Financing

Foreign Issues Quoted

DOMINION SECURITIES CORPORATION LIMITED.
Established 1901
MONTREAL OFFICE 189 St. James Street
E. R. WOOD, President
Head Office: 26 King Street East TORONTO 2
LONDON, ENG. OFFICE No. 6 Austin Friars

CANADIAN-CONNECTICUT COTTON MILLS, LIMITED
Sherbrooke, P. Q., Canada



Pioneer Manufacturers of Cord and Square Woven Tire Fabrics in the Dominion of Canada

Canadian Converters

Leading Textile Converting Company in the Dominion — Position Has Steadily Improved — Common Stock Represents Entire Ownership of Property

One of the chief points about the Canadian Converters Company is that its bond issue was retired on December 1st, last. It has no bonded debt nor preferred stock outstanding. During the first seven months of its current fiscal year, earnings have shown some improvement. For the remainder of the year, the outlook is satisfactory.

Whilst Canadian Converters is usually included amongst the textile companies, yet it differs from its sister companies in that it actually weaves no textiles itself, but, as its name implies, purchases these goods from the textile companies and converts them into a very wide range of lines.

Sells Through Wholesalers

The company has branches in Toronto, Vancouver and Saint John, N.B., but most of its output is sold through wholesalers. Thus, with the exception of the Vantex Collar, very few of its lines are known to the public.

The production consists of shirts, collars, work clothes, underwear, whitewear, children's and women's dresses, aprons and a variety of lines such as this, which are sold to the public exclusively through the retail dry goods trade. From an investment angle, it is significant that no one product plays a predominant role in the total production. In other words, its sources of revenue are diversified. "Converters" is the largest organization of its kind in the Dominion.

Since 1912, with one exception, the net earnings applicable to the common stock showed a steady increase up to 1920. Since the war, earnings have been lowered, but there has been some increase over the past three years.

Will Grow with Canada

The company's two plants are located in Montreal. The outlook for the future of the company is exactly the same as the outlook for the Dominion as a whole. As the general level of business in Canada increases, so will the earnings of Canadian Converters rise—possibly to a little greater extent, for the company, as has been said, is the dominant producer in its line in the Dominion. A little export business is done to the British West Indies, but broadly speaking, it is unable to compete in foreign markets.

"Converters" is in rather a peculiar situation as far as foreign competition in the domestic market is concerned. If it is not in a position to undersell the imported article, naturally it will be unable to purchase cotton fabrics from the Canadian textile mills—as it purchases in large quantities from these mills, this means, therefore, that it is in the best interests of the Canadian textile manufacturers, to keep their prices to Converters at such a level as will allow the latter to compete with imported merchandise.

Future of Common Stocks

While earnings at the moment are not largely in excess of dividend requirements, yet the common stock represents the entire ownership of the property and the outlook for increased earnings in the future is satisfactory. The common stock is not one in which spectacular appreciation will take place, but on the other hand, the future seems to hold good possibilities of increased earning power which should be accompanied by a gradual upward trend in the market valuation of the stock.

Capitalization—

Preferred	None
Common stock	$1,733,500

Dividend Record—
Common, now paying 7 per cent. Payment of dividend at rate of 4 per cent. was resumed August 15, 1912; reduced to 2 per cent. per annum February 15, 1915; dividend for quarter ending July 31, 1915, passed; resumed at rate of 4 per cent. April 30, 1917; increased to 1¼ per cent. per quarter July 31, 1918; increased to 1½ per cent. per quarter January 30, 1920; increased to 1¾ per cent. for quarter ending July 31, 1920, and since then paid at that rate.

Officers and Directors—
J. H. Roy, pres. and general manager; Thos. J. Rodger, J. A. Laing, J. M. Mackie, vice-pres., D. Paterson, T. R. Rennie, R. C. McMichael, K.C., T. M. Barrington, sec.-treas.

Profit and Loss—

	1924-25	1925-26
Gross profits	$129,808	$161,800
Other income	24,664	11,954
Total income	154,472	173,754
Bond interest	18,940	11,940
Deprec. and tax.	10,000	30,000
Net profits	125,532	131,814
Dividends	121,345	121,345
Balance	4,187	10,469
Prev. surplus	*651,308	655,495
	655,495	665,964
Earning Rate—		
On com.	7.24	7.60

* After expense of moving "Black" plant.

Nine Years' Earnings—
End April 30.

Year	Earnings	Dividends	Surplus
1918	$217,889	$ 52,005	$373,316
1919	257,324	65,006	443,879
1920	329,822	95,342	570,532
1921	327,457	121,345	620,704
1922	201,938	121,345	645,358
1923	202,300	121,345	655,822
1923-24	193,778	121,345	659,309
1924-25	154,472	121,345	655,495
1925-26	173,754	121,345	665,964

Market Record—

	H	L	H	L	H	L
Com.	90	70	95	80	104	90
Bonds	99½	99½	100	100	..	..

Canadian Cottons

Operates Six Large Textile Mills — Earnings Are About at Last Year's Level — Operates Hydro Development

Although this company experienced some falling off in business during the first quarter of the current fiscal year, yet the second and third quarters have seen some improvement. If this improvement be maintained throughout the remaining three months of the fiscal year, which ends March 31 next, it is anticipated that the profits will be little different from those of the preceding year.

The reason for the drop in earnings during the first quarter lay in the increased foreign competition which the company experienced. This was particularly keen in heavy goods from the United States and in the finer grades from Great Britain.

Has Six Mills

The Canadian Cottons control six mills fully equipped and in operation. These are located at Hamilton, three at Cornwall, Ontario, and one at Milltown and Marysville, N.B.

The company is ably managed and the fact that earnings have dropped off since 1920 has been due simply to the general textile situation in the Dominion.

The company specializes in the production of yarn-dyed weaves. It is using an increasing amount of rayon in its output but the increasing use of this material affects in one way the cotton companies adversely, for although the cotton textile mills can weave rayon, they can not spin it and in using this new textile, they lose the profits which they were accustomed to make on the spinning of raw cotton.

Sells Power to East

The company derives a considerable income each year from power sales. Under an agreement with the Maritime Electric Company, a minimum of 2,000,000 k.w.h. is sold annually, which is distributed in and around the town of St. Stephen, N.B. This contract runs for twenty years and as the power sold at a minimum price of 1½ cents per k.w.h. the company obtains a minimum annual income of at least $30,000 from this source. Further power, over and above the minimum supply, is sold to the Electric Company at 2 cents per killowatt.

Capitalization—

Pref. 6% non-cumulative	$3,661,500
Common stock	2,715,500

Funded Debt—

First mortgage 5% bonds. due July 2, 1940	$4,215,007

Dividend Record—
Preferred paid regularly quarterly since April, 1911.
Common 8 per cent. per annum. Initial dividend of 1 per cent. paid July 4, 1916, and quarterly thereafter to Jan. 4, 1918, inclusive; 1½ per cent. quarterly Apr., 1918, to Oct., 1919; 1¾ per cent. Jan. and Apr., 1920; 2 per cent. July, 1920, and quarterly thereafter.

Officers and Directors—
C. R. Hosmer, pres.; A. O. Dawson, vice-pres. and man, dir.; Hon. F. L. Beique, K.C., A. A. Morrice, Geo. Caverhill, Sir H. Montaku Allan, W. J. Morrice, A. Bruce, sec.-treas.

Profit and Loss—
Year ended March 1.

	1925	1926
Net profits	$506,928	$ 550.058
Other profits	107,152	92,623
	614,090	642,681
Bond interest	157,079	154,924
Bad debts	17,675	23,698
	174,754	178,622
Net profits	439,356	464,059
Pref. dividends	219,690	219,690
Com. dividends	217,240	217,240
Surplus	2,426	27,129
Prev. surplus	2,680,236	2,682,664
P. & L. Bal.	2,682,662	2,709,793
Earning Rate—		
Per cent on com	11.99	12.67
Per cent. on pref	8.08	8.99

Nine Years' Earnings—

Year	Earnings	Dividends	Surplus
1918	$1,126,126	$341,887	$1,873,109
1919	1,563,103	382,620	2,228,893
1920	1,838,443	396,197	2,683,479
1921	867,805	436,930	2,720,074
1922	668,572	436,930	2,744,290
1923	703,191	436,930	2,807,144
1924	621,379	436,930	2,680,236
1925	614,110	436,930	2,682,663
1926	642,681	436,930	2,709,793

Market Record—

	1924		1925		1926	
	H	L	H	L	H	L
Com.	111	85½	124½	106	124	113
Pref.	91	86½	96½	90	99½	92½
Bonds	91	88	94½	90	97¾	95

FRENCH TREATY HITS HARD

The French treaty entered into by our treaty makers at Ottawa, and put into effect in September, 1923, has put the finishing touch to the difficulties of the wool cloth manufacturers in Canada. It has two effects.

It directly increased the amount of goods made in France sold in Canada and so replaced the goods made by workers in Canadian mills, and at the same time it gave an excuse for Bradford manufacturers to press for 10 per cent. reduction in the duties on cloth from Great Britain.

The increased imports of cloth from France under the French Treaty, added to the increased imports of cloth from Great Britain has proved such a heavy burden to Canadian woollen manufacturers, that many have gone out of business—more will do so.

Bruck Silk Mills

Has Completed Extension to Plant — New Lines Added During Year

During the past year, the Bruck Silk Mills spent $300,000 in extending its plant. This extension has been completed and has been in operation during the past two months and was undertaken to allow the company to increase its output through the manufacture of what are known as "loaded" silks. It is intended eventually to change the whole production of the mills until its entire output is confined to this type of fabric.

The company's year ends December 31 next, after which the annual report will be published. It is understood that changing the output has reduced earnings somewhat during the year, as compared with the 1925 showing; but the company is now operating full time and is finding the market for its new type of fabrics more satisfactory than for the original grades which it manufactured. It is understood that earnings during the current year are or have been in excess of twice the bond interest requirements.

The company is doing an increasing custom dyeing and finishing business in silks and as the trade is well satisfied with the new lines which are being produced, the outlook for 1927 is regarded as eminently satisfactory. Earnings at present, it is understood, are increasing.

The Bruck Silk Mills was first incorporated in December, 1921. Its plant is at Cowansville, P.Q. It is a modern plant producing only silks. The raw material consists of pure silk and artificial silk, and the output woven silk piece goods. From this plant, the company exports part of its production to other British possessions. Public interest in the undertaking lies in the issue of 6½ per cent. first mortgage bonds which were issued to the public a little over a year ago. The mill property at Cowansville consists of some 16 acres of land on which there are erected ten buildings.

Capitalization—

	Authorized	Outstanding
Common (No par value).	25,000 shs.	25,000 shs.

Funded Debt—

First mortgage 6½% bonds due 1945	$1,000,000	$350,000

Dividend Record—
No dividends paid in stock.

Officers and Directors—
I. I. Bruck, president; J. Shevall, S. Brucks, sec,-treas.; M. L. Williams, F. G. Bush.

Goodyear Cotton

Purchased Plant of Old Canadian Manhasset and Has Had a Good Year

The Goodyear Cotton Company came into operation at the beginning of 1926 when it acquired all the fixed assets of the old Canadian Manhasset Cotton Co. The latter is no longer in existence. Its prior preferred shareholders received the par value of their holdings plus arrears of dividends in new bonds of the Goodyear Cotton Company.

The 8 per cent. preference shareholders of the old company obtained seven shares in the new company for every ten shares formerly held, and in the shuffle, the common shareholders received $4 per share.

The sale of the company, followed by the foregoing exchange of securities, proved decidedly satisfactory to the shareholders, for the Goodyear Tire and Rubber Co. has guaranteed the interest and sinking fund requirements of its subsidiary, the Goodyear Cotton Company, and has also guaranteed the preferred dividends of the new company.

Moreover, the old company had limped along badly for several years due to the many factors which have reduced the earnings of all the tire fabric companies in Canada to the vanishing point. The whole industry was over built during the period of war expansion and to-day there is not enough business offering to keep all the mills busy.

The plant is now in an entirely different position, for it obtains the orders of the parent company which keep it operating full time. It is located at St. Hyacinthe, P.Q., and consists of 20,000 spindles; it is in first class condition. The first an-

	Authorized	Outstanding
Common No par value.	5,250 shs.	5,250 shs.
Preferred 7 per cent. cumulative, par $100.	$475,000	$475,000

Funded Debt—

First mortgage, 6 per cent. due 1941	$300,000

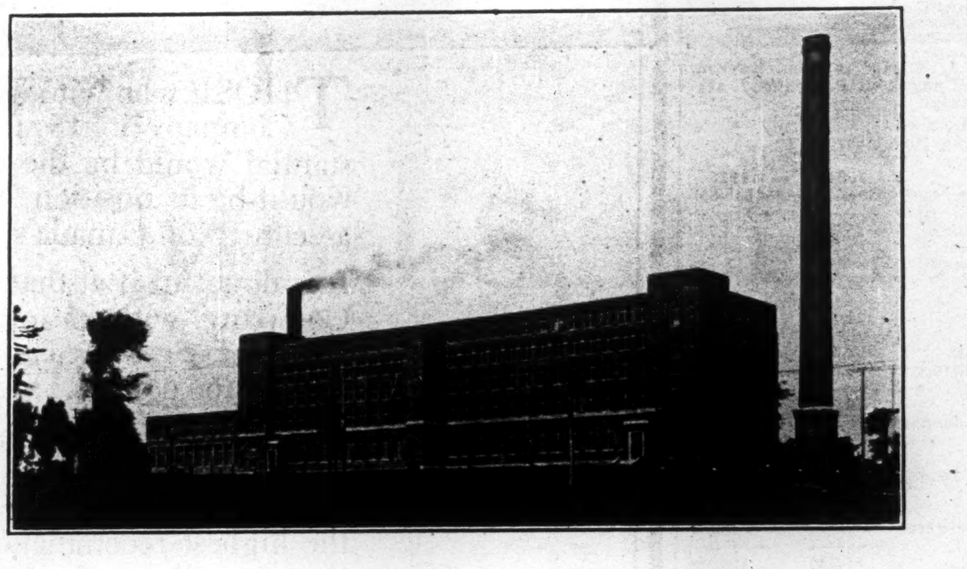
Dividend Record—
Preferred 7 per cent. per annum, payable quarterly, Jan., Apr., July and Oct. 1.

Officers and Directors—
C. H. Carlisle, pres.; E. H. Koken, vice-pres.; J. G. Lane, treas.; R. C. Berkinshaw, sec.; C. B. McNaught, L. V. Sicotte, asst. treas., J. P. Goudreault, supt.

Profit and Loss—
Profits from April 1 to September 30, 1926, the end of the company's fiscal year, amounted to $49,658 out of which dividends of $16,625 were paid on preferred stock. Surplus stands at $33,033.

Serving the Textile Industry

The Foundation Company of Canada, Limited has been privileged to perform notable services on behalf of the textile industry of Canada—as evidenced by the two instances here related.

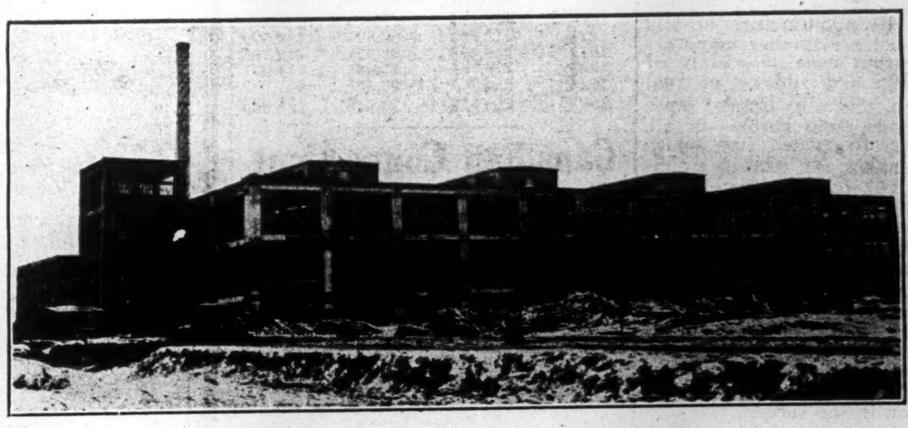


Courtaulds Limited
Artificial Silk Mills
Cornwall, Ontario

The Foundation Company of Canada Limited commenced the task of erecting these mills on April 1st, 1924, and completed the main buildings by the end of that year. The contract also embraced the construction of six other buildings, the installation of fresh water and sewage disposal plants, and the building of a housing scheme.

Canadian Celanese Limited
Building No. 4
Drummondville, Quebec

The contract awarded to the Foundation Company of Canada Limited by Canadian Celanese, Limited, called for the construction of seven large buildings, installing the sewage system, fresh water intake and distributing system, railway sidings and pipe tunnel system throughout the plant. The work was started as recently as June 24th of this year, and already the structure here pictured is completed. All the seven buildings will be turned over to the proprietors on or before December 31st, 1926.



THE FOUNDATION COMPANY
OF CANADA
LIMITED
MONTREAL

Co-op. Wool Growers is Really Prosperous; Helps Relations With Weavers

The Canadian Co-operative Wool Growers' Association represents one of the most successful marketing organizations functioning in the Dominion on a co-operative basis. Formed in 1918 as a Dominion company for the purpose of grading and marketing wool, the association has grown steadily and has been the means of bringing about better and steadier returns to the grower for his product. It also acts as a valuable intermediary in bringing about a better understanding between the growers and consumers.

At the present time the organization of the association consists of a large number of collecting stations scattered throughout the Dominion together with grading stations at Weston and Carleton Place, in Ontario, Lennoxville, Que., Fredericton, N.B., Charlottetown, P.E.I., Antigonish and Truro, N.S. In addition to selling the wool, the association manufactures woollen goods at Lennoxville and supplies its members with stockmen's supplies. In connection with their manufacturing activities, the association has stressed the idea with their shippers of ordering woollens to be debited against wool shipped. This movement has met with considerable success, especially in such lines as underwear, blankets, yarns and socks, in which there is an annual turnover of about $65,000.

Collect, Grade Wool

Although these two branches of the association provide a good revenue, the work of the organization is mainly in collecting and selling wool. Grading is done by thoroughly qualified graders supplied by the Federal Department of Agriculture, so that the trade is offered a product, the quality of which they are amply assured of by government supervision. During the past year more than 9,000 shippers sent their wool to the warehouses of the association, amounting in all to some 3,527,000 pounds. Of the wools sold, two-thirds went to the United States, where a better price was received than was offered in Canada or the United Kingdom.

The entire capitalization of the company is in common stock, of which there is $200,000 outstanding. The stock has a par value of $10 on which a regular dividend of 8 per cent. is paid. The stock is widely distributed among the wool growers, there being some 2,000 according to the latest report. In no case is a member allowed to hold more than 50 shares. Included in the capital structure of the association is a security bond for $100,000 held by the Bank of Montreal as a protection to shippers.

Capitalization—

	Authorized	Outstanding
Stock	$200,000	$98,467

Par value $10.

Funded Debt—
First mortgage bonds issued and held by Bank of Montreal for safe keeping $100,000.

Dividend Record—
Dividend of 8 per cent. per annum paid regularly.

Officers and Directors—
Col. R. McEwen, pres.; Chris. Jensen, 1st vice-pres.; S. A. Logan, 2nd vice-pres.; G. E. O'Brien, gen.-mgr. and treas.; W. H. J. Tisdale, asst. gen. mgr.; G. O'Neil, sec.; B. G. Hollingdrake, wool supt.; W. H. Thomson, mgr. Man. and Sask. branch; L. V. Parent, mgr. Quebec branch; Geo. L. Telfer, A. W. Sharp, J. A. McClary, G. Bouchard, I. J. Rushton, Wm. Kerr, Geo. Gordon, E. Cora Hind, Geo. C. Hay, Jas. Bremner, Wm. McGregor.

Profit and Loss—
Year end: Feb. 27.

	1924	1925	1926
Sales	$94,477	$104,774	$103,464
Expenses	76,653	71,525	82,747
Deprec.	9,316	7,430	5,809
	85,969	78,935	88,556
Net prof.	8,508	25,819	14,907
Bal. for.	1,724	2,734	2,373
	10,232	28,553	17,280
Inc. tax	500	2,061	1,241
Divid.	6,998	7,274	7,268
Pr. for reb.	....	6,844	....
Res.	....	10,000	5,000
Surp.	2,734	2,373	3,771
	10,232	28,552	17,280

Belding-Corticelli

Annual Report for Year Just Closed Appears Shortly With Earnings About Last Year's Levels — Outlook for Future is Satisfactory

The annual report of Belding-Corticelli will go forward to the shareholders in about five or six weeks' time. It is anticipated that earnings for the fiscal year just closed, will be at least equal to the excellent showing which the company made in 1925. One of the factors which affect the earnings of Belding-Corticelli is the fluctuations in the raw silk market; during the past year the prices of the raw material have fallen off, which, of course, does not tend towards improved earnings.

Sales in 1926 have kept up with the 1925 levels, but the competition in piece goods, yard goods and braids, particularly from Switzerland, is still keen.

Good Sales of Hosiery

About a year ago the assets of the Hosiery Corporation were acquired and the equipment of the latter transferred to the company's Montreal plant. Sales from this more or less new department have been excellent; but this end of the business is still in its initial stages. Several new lines have recently been added to this branch of the company's activities, or rather the original lines have been improved; due to the results which have been achieved, the company is extending this department of its activities by the addition of further machinery. It is expected that earnings from this branch will play a large part in the total revenues in future.

Belding-Corticelli's chief business consists of the manufacture of silk and silk thread for further manufacture. Its output consists mainly of yarns, threads and ribbons of real silk or rayon, and also braids, tapes and laces made from cotton—in all, an extremely diversified line which necessarily makes for certain stability in sales. Should fashions change, and sales in one line dwindle, other goods in turn pick up.

Company Well Managed

The company operate under excellent and strong management and is in a good liquid position. While the balance sheet shows a large good-will account, yet the policy of the management indicates that this somewhat ethereal asset will undergo further reduction in the future.

At the present time, the outlook for the future is most favourable. It is anticipated that the price of raw material will not decline further, which should prove of material benefit to the company in 1927.

Capitalization —

	Authorized	Outstanding
Pref. 7% cum.	$1,650,000	$865,300
Common stock	850,000	749,500

Funded Debt—
First mortgage sinking fund 5 per cent. bonds due May 1, 1936; interest payable 1st May and November in Montreal and London $400,434

Dividend Record—
Preferred 7 per cent. payable 15th March, June, September and December; last of deferred dividends paid up on June 15, 1920, and regular dividend of 7 per cent. paid since then. Common—2 per cent. each paid Feb., 1924, Aug., 1924; 2 per cent. each paid Jan. and August, 1925; 3 per cent. paid Jan., 1926.

Officers and Directors—
A. O. Dawson, pres.; Wm. McMaster, vice-pres.; C. A. Reynolds, general manager; J. M. Mackie, Wm. Hanson, W. P. MacDougall, J. P. Kennedy, acting secretary.

Profit and Loss—
Year ending November 30.
Deduct:

	1924	1925
Profits	$254,771	$345,853
Sinking fund	14,790	14,790
Depreciation	62,407	66,707
Deb. interest	36,980	36,980
Ins. reserve	10,000	11,784
Total	124,178	130,261
Net profits	130,593	215,592
Pref. dividends	60,571	60,571
Balance	70,022	155,020
Com. dividends	29,980	37,475
Balance	40,041	117,545
xAdd tax reserve	56,109	......
Balance	96,150	117,545
†Trans. reserve	......	78,643
Balance	96,150	196,188
Prev. balance	514,077	361,899
Total	610,227	558,087
‡Written off	248,328	200,022
P. & L. balance	361,898	358,065
P.C. on com.	9.3	20.6

x—Written back.
‡—Written off good-will account.
†—Replacement.

Nine Years' Earnings—

Year	Earnings	Dividends	Surplus
1917	$232,999	$120,458	$249,474
1918	278,732	121,142	287,812
1919	429,269	121,142	338,165
1920	262,152	90,856	363,565
1921	212,943	60,571	399,409
1922	250,478	60,571	449,786
1923	279,801	75,561	514,077
1924	254,771	90,551	361,899
1925	354,853	89,046	358,065

Canadian Connecticut

Is in Good Financial Position, But Outlook for Future is Beclouded

For several years past the Canadian Connecticut Cotton Mills has had to eat into surplus account in order to provide, not only for preferred dividends, but also to take care of its reserve for depreciation. Despite this unhealthy situation which prevails throughout the whole of the tire fabric industry, the company has maintained itself in excellent liquid position. During the last fiscal year the output was greater than in the preceding year but prices also fell off.

The company was first started in 1913 to supply Canadian tire manufacturers with fabric which heretofore had been imported from the U.S. The investment interest of the company lies in the 8 per cent. cumulative participating preferred shares.

The plant is located at Sherbrooke, P.Q. During the expansion period, the company built a large new plant adjoining its old one which is now utilized; the old plant is idle, due to the over expansion of the tire fabric industry in Canada. The industry is now reaping the reward of over expansion during the war period, and none of the companies seem to be in a position to turn down any orders, no matter how low the price. At the moment, there seems to be little hope of better earnings during the present fiscal year.

The poundage which the company is producing has increased but prices have declined. The number of customers which the company serves has increased also.

Capitalization—

	Authorized	Outstanding
Common "A"	$1,000,000	$1,000,000
Common "B"	500,000	500,000
Shares $10 each.		
Pref. 8% cum.	5,000,000	3,000,000

(Class "B" com. stock has no voting power.)

Funded Debt—
None.

Dividend Record—
Dividends on pref. paid regularly from Apr., 1920, to Apr., 1921; were resumed Feb., 1923, when 2 per cent. was paid; Apr., 1923, 2 per cent. and 2 per cent. quarterly thereafter to Jan., 1925; reduced to 4 per cent. per annum, Apr. Apr. 1, 1925, payable 1 per cent. quarterly, Jan., Apr., July and Oct. 1. 13 per cent. in arrears on accumulated dividends as at Oct. 1, 1925.

Officers and Directors—
S. R. Fuller, Jr., chairman of board, H. L. Burrage, pres., R. J. Caldwell, H. S. Davis, R. W. Elliott, S. W. Ewing, W. R. G. Holt, R. S. Jarvis, I. W. Killam, J. Lowe, W. J. K. Vanston, T. Wood, E. W. L. Page, sec.

Profit and Loss—

	1924-25	1925-26
Gross profits	$295,998	$231,546
Other income	68,342	59,603
Total income	364,340	291,149
Expenses, etc.	197,814	229,270
Net profits	166,525	61,879
Depreciation	175,592	172,665
Deficit	9,067	110,786
†Sp. expense	....	36,387
Deficit	9,067	147,173
Bad debts reserve	42,000	10,000
Net loss	51,067	157,173
Pref. dividends	150,000	120,000
Total loss	201,067	277,173
Adjusting	34,016	90,950
Surplus loss	235,083	368,123
Pref. surplus	782,486	547,403
P. & L. surplus	547,403	179,280

† Expenses of moving machinery into new mill.

Five Years' Earnings—

Year	Earnings	Dividends	Surplus
1922	$1,673,185	......	$1,000,382
1923	770,691	240,000	1,262,668
1924	191,361	300,000	782,456
1925	364,340	150,000	547,403
1926	291,149	120,000	179,280

Market Record—

	H	L	H	L	H	L
C. "A"	5	3½	1⅞	1⅞	..	..
Pref.	85¼	39	51⅛	39	49	35

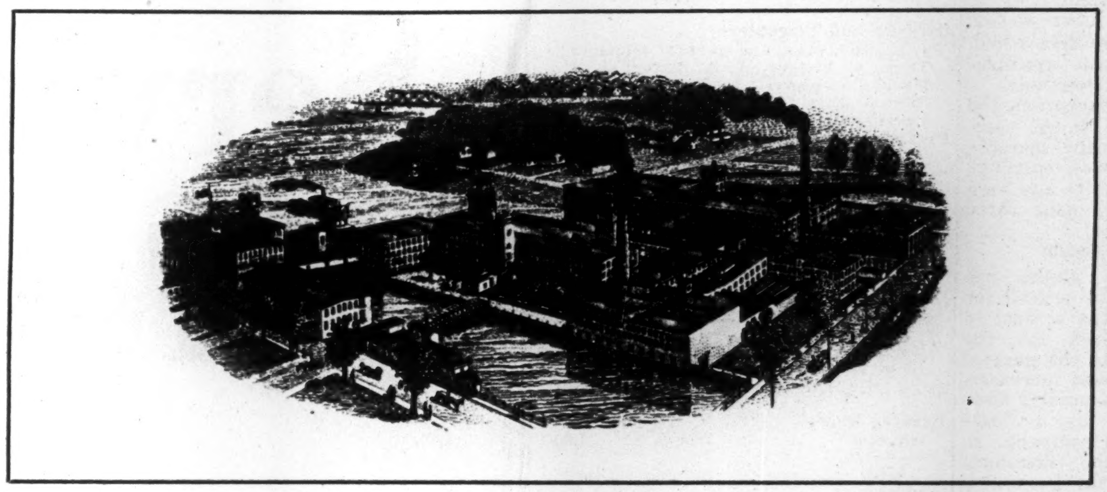
MONARCH-KNIT
MONARCH KNITTING COMPANY LIMITED

Sweaters, Silk Hosiery
Radiant Lingerie
Hand Knitting Yarns

Canada's Quality Products

Factories at Dunnville, St. Thomas, St. Catharines
Head Office: Dunnville
Branch Offices:
Montreal, Toronto, Winnipeg, Calgary, Vancouver.

The Monarch Knitting Company, Ltd.



Looking Ahead

THOSE who witnessed the beginnings of the Montreal Cotton Company in 1874 probably did not realize fully how substantial would be the company's progress and how important would be its position in Canada's textile industry after over half-a-century of Canada's growth.

It is doubtful if at that time they envisaged to-day's position of the Company, with its mills of 200,000 spindles and 5,000 looms. These have a daily capacity of 2,500 pieces and a weekly production of 160,000 lbs.; and 2,400 Canadian workmen are employed.

But it is easier for to-day's Canadians to look ahead to an assured substantial growth for Montreal Cottons Limited—because the past fifty-two years of capable and progressive management is the highest recommendation for a future which again capitalizes the expanding growth of this country.

Alert management, sound policies and experience breed industrial success. These form a solid basis for Montreal Cottons Limited's maintained excellent record of earnings.

This company is, and will be, an increasingly important factor in Canada's textile industry and industrial prosperity.

Spinning, weaving, dyeing, bleaching and finishing of cotton textiles. The output consists largely of fine white goods, piece dyed materials and rayon silk fabrics of all kinds.

Board of Directors:
President, SIR CHARLES GORDON
Vice-President, SIR HERBERT HOLT
LT.-COL. A. HAMILTON GAULT
WM. FINLEY HON. R. DANDURAND F. G. DANIELS
F. W. MOLSON J. P. BLACK J. LOWE
General Manager and Secretary-Treasurer, JOHN LOWE

The
MONTREAL COTTONS
Limited
Head Office and Mills, Valleyfield, P.Q.
Sales Offices: Montreal, Toronto, Winnipeg, Vancouver

MONARCH KNITTING EARNINGS IMPROVE AFTER LEAN YEARS

Drag of Unprofitable Subsidiary Makes Dividend Outlook Better

The Monarch Knitting Co. started operations in 1903 and was reorganized in 1912. It manufactures knitted goods, including sweater coats for men women and children and a complete line of fancy knitted goods including skirts, coats, scarves, and also hosiery and lingerie. It owns factories at Dunnville, its head office, and St. Catharines, and St. Thomas, Ont., and has offices and warehouses in Toronto, Montreal, Port Arthur, Winnipeg, Calgary and Vancouver.

While it will be some time before the arrears in dividends on the preferred stock are cleared up, it is anticipated that the annual statement for 1926 will be much better than that for 1925. A material improvement in business has been noted, and the company's manufacturing costs have been reduced somewhat, because of the elimination of some 300 numbers in their catalogue. While sales men feared that this would result in a reduction in orders, the reverse has been true, according to officials of the company. Monarch also is in a much better position to show real earnings because it has at last got rid of its Buffalo factory, into which several hundred thousand dollars was sunk with no return to the shareholders.

Imports Are Heavy?

This year, too, it is said that the customs Department has been somewhat more stringent in valuating imported knit goods. Monarch, like the other Canadian knitting companies, and woollen companies, has felt the competition from British and French sources. This competition has been met in all the lines, excepting those goods on which a great deal of hand labor is required. But the design of women's suits and similar articles on which there is much hard labor is meeting a favorable response in the domestic market and it is believed that the year's business in these lines will have been materially increased.

It is anticipated that the year's earnings will be about on the basis of 1924. While this may not permit any payment on the preferred stock, the liquidation of the non-producing branch of the company at Buffalo and other factories will make a much more healthy balance sheet. It is noted that the last of the heavy charges due to the Buffalo experiment appeared on last year's sheet.

J. A. Burns is the general manager of the company. He has been with Monarch since 1903 in the principal administrative capacity. He is thoroughly experienced.

Capitalization—

	Authorized	Outstanding
Common	$1,275,000	$1,275,000
Pref. 7% cum.	750,000	750,000

Shares $100 each.

Funded Debt—
None.

Dividend Record—
Preferred 7 per cent. per annum, payable quarterly, Feb., May, Aug. and Nov. Deferred for quarter ended Apr. 30, 1925, and since.
Common, 6 per cent. per annum, paid quarterly, Nov., 1912, to Nov., 1913, inclusive, none thereafter until 4 per cent. April, 1919; 4 per cent. and bonus of 2 per cent. paid Apr., 1920; 4 per cent. May, 1921, none since.

Officers and Directors—
F. R. Lalor, pres., A. E. Ames, T. A. Russell, vice-pres., J. A. Burns, gen. mgr., Geo. C. Biddle.

Profit and Loss—

	1924	1925
Net profits	*$ 52,325	$ 2,302
Res. for div.	....	4,375
Pref. dividends	52,500	....
Spc. reserve	....	150,000
Surplus for year	*104,824	*$152,073
Prev. balance	609,492	504,667
	$504,667	$352,594

*Deficit.

Nine Years' Earnings—

Year	Earnings	Dividends	Surplus
1917 ..	$ 202,414	$ 52,500	$ 442,212
1918 ..	351,564	103,500	671,905
*1919 ..	386,687	133,375	925,217
1920 ..	183,405	103,500	1,005,123
1921 ..	28,653	52,500	483,073
1922 ..	116,531	52,500	547,104
1923 ..	114,888	52,500	609,492
1924 ..	†52,324	52,500	504,667
1925 ..	2,302	....	352,594

†Loss.
*In 1919 the figures are for 13 mos.

Market Record—

			1924		1925	
	H	L	H	L	H	L
Com.	25	25	80	30	10	10
Pref.	82	65	80	45	55	30

Regent Knitting

The profits of the Regent Knitting Mills for the current year will be as satisfactory as in 1925 and may possibly be a little higher. The gross sales during 1926 will be about 15 per cent. higher than in 1925.

During the past year many betterments have been introduced at the St. Jerome plant. In all, 1,440 spindles have been added to the equipment by the purchase of eight new frames for the worsted spinning department.

Severe competition has been experienced from Germany, especially in silk sweaters which are sold at a value which can not possibly be duplicated in this country.

Negotiations are now under way leading to doubling the capacity of the Guelph plant. This mill is engaged in the manufacture of cotton twines. The doubling of the production will involve only a small extension to the present building, but the added capacity will favourably affect overhead costs.

The investment interest in the Regent Knitting Mills lies in its bond issue which was made in 1923. Earnings are very substantially over the bond interest requirements. The company first began operations in a small mill in Montreal in 1913. Today its plants are situated in St. Jerome, P. Q., Montreal, P. Q., and Guelph, Ontario. The latter is operated as a subsidiary under the name of Regent Textiles, Ltd. In addition, the company owns a considerable portion of the stock in the Regent Knitting Corporation which is situated in Syracuse, New York. The plants are all modern in every respect. The output consists of practically a complete line in the knit goods field with the exception of such products as hosiery and underwear. The output finds a good market in Canada and a little export business is done also.

Capitalization—

	Authorized	Outstanding
Stock	$1,200,000	$1,041,600

Funded Debt—

First mortgage, 6% bonds	600,000	600,000

Officers and Directors—
C. G. de Tonnancour, pres.; J. F. Lemieux, vice-pres., L. Marcoux, man. dir.; J. F. Boulais, L. C. Parenteau, C. A., sec.-treas.

Profit and Loss—

	1925
Profits	$217,484
Depreciation	79,611
Bond interest	28,156
Bond discount	7,200
Net profit	102,517
Previous balance	436,920
Balance forward	$539,437

MERCURY MILLS' BONDS BACKED BY HIGH VALUES

Hosiery Underwear Manufacturers Have Valuable Property at Hamilton

Public investment interest in Mercury Mills at Hamilton, Ont., is concentrated on the company's bonds of which $2,000,000 have been authorized, $800,000 issued and about $750,000 outstanding. These securities are 6½ per cent. first mortgage 20-year sinking fund, due on May 15, 1942.

The company pays 7 per cent. on its preferred stock, but the common dividends paid in recent years have not been divulged. The works at Hamilton are on a five-acre site with a railway connection and the buildings are the modern, one-storey mushroom type of factory construction.

Products of the company include hosiery and underwear of a large number of varieties and grades, including the popular rayon manufactures. The capacity of the plant is 1,500 dozen of hosiery daily and 300 dozen of underwear. The company's property is appraised at approximately $1,700,000, with a replacement value of considerably more than this.

Bonds are redeemable at 105 and accrued interest on 60 days' notice at any interest date, or may be purchased in the open market from the sinking fund, which was established on May 1, 1924.

Capitalization—

	Authorized	Outstanding
Common	$2,000,000	$900,000
Pref. 7% cum.	2,000,000	900,000

Shares $100 each.

Funded Debt—

First mortgage 6½ per cent., due 1942	$2,000,000	$768,000

Dividend Record—
Preferred 7 per cent. per annum, payable quarterly, Jan., Apr., July and Oct. 15.

Officers and Directors—
John Penman, pres., H. G. Smith, vice-pres., gen. mgr. and sec.-treas., R. S. Williams, asst. gen. mgr., J. E. Evel, J. H. Gundy.

DOMINION COMBING MILL LOWERS ITS LOANS FROM BANK

Still Looking to Tariff Adjustment for Prosperity

Dominion Combing Mills, Ltd., is a manufacturer of wool yarns, tops and noils, with a factory at Trenton, Ont. Its earnings have not been altogether satisfactory from the viewpoint of investors because of conditions brought about by the tariff, according to A. E. Rea, president. The current year, however, has been fairly busy and some progress has been made in clearing up current liabilities.

The plant is equipped with thirteen cards and twelve combs. It is on a ten-acre site at Trenton. The production is said to be in the neighborhood of 3,500,000 pounds tops.

Preferred stock in this company has preference for assets and dividends, and in the event of liquidation is entitled to par and accrued dividends. It is subject to redemption at any time at par and accrued. The preferred has no voting power except where there has been a default of dividends for two consecutive years.

It is understood that the present government is favorable to a moderate readjustment of the tariff which will be of benefit to this company and others and there is some likelihood, according to information received, that other manufacturers will join in an indentical request for protection needed.

This promise has been held before investors for so long they are tired of waiting for something to turn up. The stock has failed to demonstrate much worth.

Capitalization—

	Authorized	Outstanding
Common	$1,500,000	$1,500,000
Pref. 8% cum.	1,000,000	1,000,000

Par of com. $50, and pref. $100.
No funded debt.

Officers and Directors—
A. E. Rea, president; W. J. Keens, C. A. Davies, T. D. Currie, sec.-treas., Major-Gen. R. Rennie.

Profit and Loss—

	1924
Sales	$1,369,360
Cost of sales, oper. exp., etc.	1,278,045
Net earnings	91,315
Taxes	1,998
Depreciation	70,285
Balance	$ 19,032

THE NATIONAL CITY COMPANY LIMITED CANADA

High Grade Textile Bonds

We are closely associated with the financing of the following textile companies and while the issues shown are now very widely distributed among investors we are usually in a position to offer bonds at current market prices:—

Dominion Textile Company Limited
6% First & Refunding Mortgage Bonds
Due September 1, 1949
Price at market to yield about 5.45%

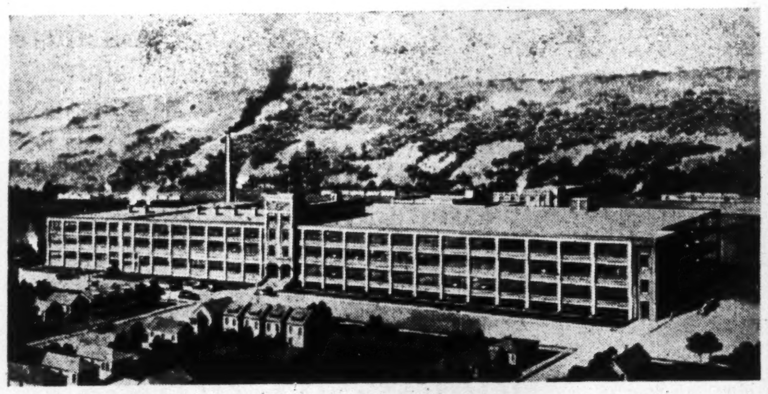
Penmans Limited
5½% First Mortgage Bonds
Due November 1, 1951
Price at market to yield about 5.50%

Paton Manufacturing Company Limited
6% First Mortgage Bonds
Due May 1, 1953
Price at market to yield about 5.95%

Further particulars regarding any of the above issues will be furnished upon request, and we shall also be glad to forward any investor a copy of the December edition of our monthly publication *Investment Securities* containing a complete list of our current recommendations.

The National City Company
Limited
Head Office — St. James and St. Peter Streets — Montreal
10 King Street East TORONTO
204 Blackburn Building OTTAWA
71 St. Peter Street QUEBEC
182

MERCURY MILLS, LIMITED
HAMILTON, CANADA



THE NEW DAYLIGHT MILLS OF MERCURY MILLS, LIMITED
HAMILTON, CANADA

Where Mercury Knitted Lingerie, Mercury Underwear and Hosiery for Men, Women and Children are manufactured.

Manufacturers of
Fine Hosiery for Men, Women and Children
Full Fashioned Silk Hosiery
Fashioned Cashmere Hosiery

Manufacturers of
"Rayon" Knitted Lingerie in Vests, Bloomers, Teddys, Princess Slips, etc.
"Nuwayon" — Buttonless Underwear for Men and Boys, also
Cotton "Rayon" Silk and Wool and Pure Unshrinkable Wool Underwear.

Mercury
MERCURY MILLS LIMITED
HOSIERY & UNDERWEAR

Cosmos Imperial Looks Ahead to Prosperity Due to Impetus of All Trade

Hamilton-Yarmouth Co. Serves Variety of Growing Industries With Essential Heavy Duck Fabric

Cosmos Imperial Mills at Hamilton, Ontario and Yarmouth, N.S., is a successful manufacturer of heavier grades of duck used for paper dryers, mechanical belting, binder canvases, car tops, ship canvas and similar products. Its market is constantly expanding with the development of the paper and pulp industry in Canada and with the more general prosperity of the country that has been evident for a year or more. The company has benefited, also from the recession in the cost of raw material. The bonds of the company are highly regarded by the investing public.

Marketing of the products of this company is comparatively simple because the buyers, for the most part, are other manufacturers who use large quantities. For the eight years prior to the issue of the bonds, from 1916 to 1924, the average net earnings averaged $315,846, or nearly five times the interest requirements. Earnings have increased considerably since that time.

Public Buys Preferred

Investment interest in this company was enhanced last August when the new company was organized and $1,500,000 of 7 per cent. cumulative preferred was offered the public at $100 par with a bonus of one half share of common of no-par value.

The new company, like its amalgamated predecessor created in 1924, at the time of the first bond issue, owns and operates two modern cotton-duck manufacturing plants. One of these prior to 1924 was known as the Imperial Cotton Co. of Hamilton, which have been established in 1900 and the other was the Cosmos Cotton Co. of Yarmouth. It was established in 1883 as the Yarmouth Duck & Yarn Co.

The financial statement published at the time of the preference stock issue last August showed fixed assets of $2,300,000 and net currents assets of $1,104,000. After making provision for the $980,000 of outstanding bonds, the assets totaled $161 for each share of preferred to be issued. The earnings for ten and one-half years had averaged $246,000 yearly, and $291,428 for the calendar year 1926. The earnings for the first half of this year, the latest figures available, were $155,281.

Provisions governing the preference shares provide that no dividends shall be paid upon any other shares of the company ranking after the preference shares at any time when the payment of such dividends would reduce the net tangible assets below 200 per cent. of the preference stock or which would reduce the net current assets below 66 2/3 per cent. of the preference stock outstanding, or $750,000, whichever is the larger amount. Two-thirds of the shareholders must consent before there can be further issues of stock. The preferred also has a voting power.

Capitalization—

	Authorized	Outstanding
Common (No par value).	50,000 shs.	50,000 shs.
Preferred (Par $100).	$1,500,000	$1,500,000

Funded Debt—

First mortgage 6½ per cent. bonds, due 1944 ..	1,000,000	$980,000

Dividend Record—

Preferred 7 per cent. accumulative, accrued from Aug. 15, 1926.

Officers and Directors—

S. H. Greene, pres., A. V. Young, vice-pres., W. S. Burrill, vice-pres. and gen. mgr., J. J. McGill, J. E. Rousmaniere, G. A. Macpherson, G. H. Allen.

Profit and Loss—

Net profits after deducting all manufacturing and general expenses, taxes and making provision for depreciation of plants and for interest on the first mortgage bonds as if they had been outstanding throughout the entire period, were as follows:

Year ending Dec. 31.

Year	Net profits	Year	Net profits
1916	$127,093	1921	$116,547
1917	235,348	1922	142,575
1918	435,340	1923	289,171
1919	215,954	1924	132,226
1920	444,740	1925	291,428

Six mths. end: June 30, 1926 $155,281

Woods Manufacturing

Decline in Price of Raw Materials Will Affect Earnings in Current Year — Owns and Operates Five Plants With Varied Output

The volume of business done by the Woods Manufacturing Company in 1926 has been equal to last year's level, but owing to the decline in the market for raw cotton and jute, the annual report for the full year's operations may show some decline in profits. Also, the slump in the milling industry during the year has naturally affected to some degree the market for the company's output of bags.

The company's output is varied. About 25 per cent. of the total business comes from the manufacture of cotton textiles from its cotton factory at Welland, Ontario. Another 20 or 25 per cent. comes from the canvas factory at Hull, P.Q. and the remaining half of its business is in bags—cotton bags and bags of jute made for every conceivable purpose; for flour, cement, grain, sugar and salt. The bag, canvas and burlap output which is manufactured at the company's Hull plant is, it is understood, more than holding its own. The general activity in the building, construction and allied trades has helped to increase the demand for the various working garments which the company is equipped to supply both in the form of the raw material and also in the finished article.

As sacks and sacking are an impor- part in the total production, obviously the demand for these commodities must have a very definite effect on earnings.

But the company does not depend on any one industry to absorb its output of sacks, and thus if the demand for flour sacks declines, it is possible that the demand from other industrial or agricultural sources, may increase.

About two years ago, a subsidiary U.S. plant commenced manufacturing sleeping bags at Ogdensburg. The product of this plant has a record of many years public good will behind it and the U.S. operations have proved successful since their inception. The plant is now a steady revenue producer and the business done at this plant during 1926 has shown an increase of 100 per cent. over 1925. While it is undoubtedly proved a successful enterprise, yet its earnings naturally play but a minor part in the total in the revenues of the parent company.

Five plants in all are operated: Montreal, Hull, Welland, Toronto and Winnipeg. Roughly, half of the total revenues come from the manufacture of bags and the remaining half is divided between the output of cotton and the production of tents, tarpaulins, flags and similar commodities. In the manufacture of cotton, the company is somewhat happily situated, for some 60 per cent. of its production is absorbed by its own mill for further manufacture. Thus, its cotton production finds a ready market.

Follow General Trend

Broadly speaking, it might be said that the earnings of the company will keep pace with the general level of business at large, for bags, in one sense are a basic commodity.

The Welland plant, which is still known as the Empire Cotton Mills, manufactures grey counter cloths, bag cloths and ordinary hose. The Hull plant manufacture lumbermen's and contractor's tents, clothing and supplies, whilst bags are manufactured at the other plants. All the mills are modern and have been built within the past sixteen years.

No dividends are being paid on the common but regular 7 per cent. dividends are being disbursed to the preferred shareholders. Dividends on the common were initiated in 1913; with the exception of 1915 and 1916 these were maintained until the close of 1923. Before the dividends were passed the rate was 8 per cent At the time of peak prices the company paid in one year as high as 12½ per cent. to its shareholders.

Capitalization—

	Authorized	Outstanding
Common	$2,492,000	$1,710,600
Preferred	2,481,800	1,528,300

7 per cent. cumulative. Shares $100 ea.

Funded Debt—

First mortgage, 6 per cent, bonds, due 1943	2,000,000	936,500

Dividend Record—

Initial dividend on preferred was paid in April, 1913, and paid at that rate regularly up to and including July, 1914; none thereafter until Jan., 1916, when 1¾ per cent. was paid; April and July, 1916, 1¾ per cent. each; Oct., 1916, 1¾ per cent. and 1¾ per cent. on account of arrears; Jan, 1917, 1¾ per cent. and 7 per cent. in payment of arrears; regular payments since. Initial dividend on common 1¼ per cent. paid in April, 1913, which rate paid to July, 1914; none thereafter until June, 1917, when 1¼ per cent. was paid; 1¼ per cent. Sept., 1917; Dec., 1917, 4½ per cent.; Mar., 1918, to June, 1920, at rate of 7 per cent. per annum; Sept., 1920, to Sept., 1923, 2 per cent. each quarter; none since. Extra dividends of 5 per cent. each were paid on com. Dec., 1918, Dec., 1919, and Dec., 1920.

Officers and Directors—

Lt.-Col. J. W. Wood, pres.; W. G. McMahon, vice-pres.; J. T. F. Keene, sec.-treas.; T. Mitchell, gen. mgr.; Ernest Linton, Glyn Osler, K.C., J. W. Pyke, G. S. Browne.

Profit and Loss—

	1924	1925
Gross profits	$264,580	$310,647
Depreciation	63,871	64,195
*Bond interest	62,831	60,553
Net profits	$137,878	$185,899
Pref. dividends	107,299	106,981
Surplus	$ 30,579	$ 78,918
Prev. surplus	66,973	97,552
P. & L. surplus	$ 97,552	$176,470

Earning Rate—

	1924	1925
% on com.	1.78	4.61
% on pref.	9.02	12.16

*And discount.

Nine Years' Earnings—

Year	Earnings	Dividends	Surplus
1917 ..	$770,816	$228,431	$1,008,539
1918 ..	842,200	314,476	1,291,489
1919 ..	630,813	314,487	1,385,614
1920 ..	*412,324	323,080	515,848
1921 ..	160,912	245,743	341,123
1922 ..	400,552	245,743	409,176
1923 ..	12,128	211,371	66,973
1924 ..	264,579	107,299	97,552
1925 ..	310,647	106,981	176,470

* Loss.

Market Record—

	1924		1925		1926	
	H	L	H	L	H	L
Com.	35	23¼	49	20	48	38
Pref.	67	59	80	64⅞	90	77¾

The Hudson's Bay Company have declared an interim dividend of 10 per cent. less income tax, and 5 per cent. on cumulative preference stock, payable January 1st.

COSMOS IMPERIAL
MILLS LIMITED

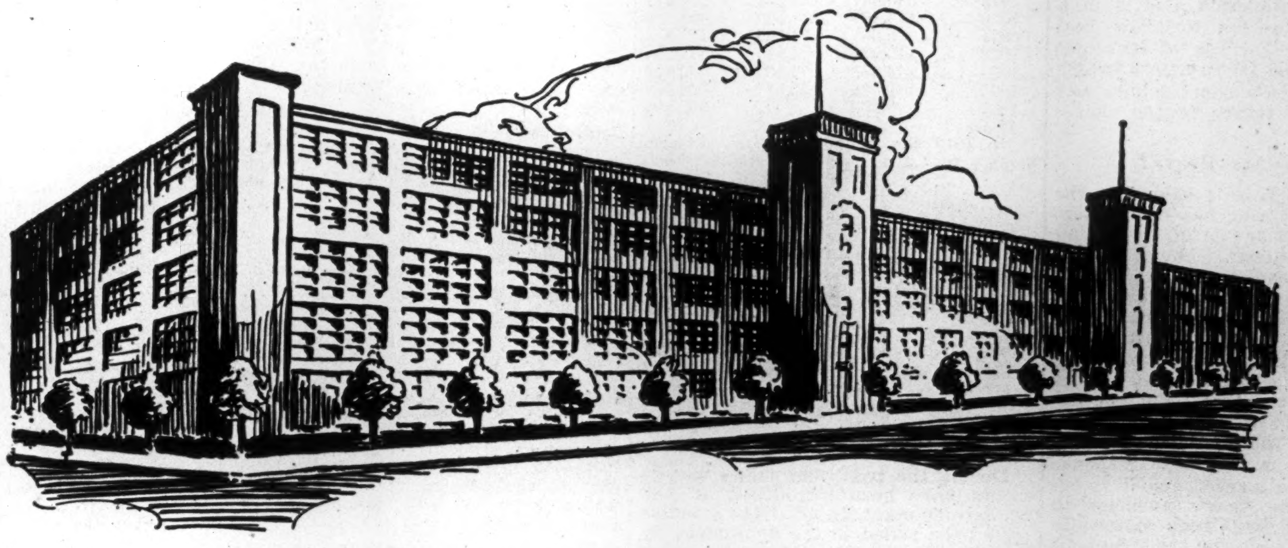
Manufacturers of

COTTON DUCK
AND
COTTON DRYER FELTS

HAMILTON, ONTARIO

J. SPENCER TURNER CO.
OF CANADA LTD.
Selling Agent
HAMILTON, ONT.

Head Office
HAMILTON - ONTARIO
Mills at
YARMOUTH, N.S.
HAMILTON, ONT.



Success Well Grounded

FROM a modest beginning, made in 1908, The Wabasso Cotton Company, Limited, has developed steadily until it is to-day one of the most outstanding industrial organizations in the Dominion — operating in a huge daylight "factory of a thousand windows" — employing no less than 2,200 skilled workers.

This growth is the outcome of rigid and constant adherence to the very highest standards in every detail of manufacture, which ensures an excellence in the finished product that buyers are naturally quick to appreciate.

Knowing that the success which has marked its existence is based solely upon that care and attention, The Wabasso Cotton Company rigidly maintains those standards, and countenances only the finest raw materials—only the most skilled operatives—only the best equipment—all of which combine to make Wabasso Cottons the finest that Canada produces—equal even to the finest products of the great Lancashire Mills.

Wabasso Cottons
are Canada's best

Cambrics — Nainsooks — Longcloths
Lawns — Broadcloths — Madapolams
Voiles — Circular Cottons — Twills
Sheetings

Soft and fine in texture—snowy white in colour — made from the best Egyptian and South Sea Island Cottons—the ultimate in appearance, durability, and sound economy.

Also a complete colour range of Mulls, Voiles, Check Nainsooks and Lingerie Cloths.

WACOSILKE
A combination of the finest WABASSO combed yarns and CELANESE brand yarns
Pretty as the Rainbow

A lovely, silken-soft fabric for Lingerie and Dresses. Remarkably durable, with all the beauty and "feel" of real silk, but much less expensive. It is a combination of the finest Wabasso combed cotton yarns and the famous Celanese Brand Yarn. (Celanese is the registered trade mark in Canada of Canadian Celanese Limited).

THE WABASSO COTTON COMPANY, LIMITED
THREE RIVERS, P.Q.

Toronto Carpet Co. is Prosperous, Thanks to Subsidiary Over Line

Domestic Cloth Business is Affected Adversely by Importations Under Inadequate Tariff — Rug Business Fair

Among the out-standing companies in Canada is the Toronto Carpet Mfg. Company. It has paid its stock dividend regularly for 33 years, and its average annual earnings available for bond interest are in excess of of $400,000. While the company has $1,000,000 of common stock and $730,300 of preferred stock, public investment interest is concentrated mostly on the 6 per cent. 20-year bonds issued in July, 1924, to the amount of $1,000,000. This issue was placed on the market in July, 1924, and was quickly absorbed.

Assets At High Figure

Fixed assets of the company as appraised amount to $2,282,706, or more than twice the amount of the bond issue outstanding. The consolidated statement of the company as at September 30, 1926, shows assets amounting to $7,127,694.

C. V. Harding, long a director and assistant general manager of the company, resigned at the recent annual meeting and was succeeded on the board by P. D. Hayes. The same change became effective in a subsidiary company, Barrymore Cloth. The wisdom of the directors in establishing the United States subsidiary has been clearly demonstrated. This venture was initiated in 1922 after it became apparent that tariff changes would become effective in Canada which would bring Canadian woollen manufacturers into extraordinarily keen competition from Britain, France, Czecho-Slovakia and other European countries. The first shipments of machinery, imported from England, reached Philadelphia, before the existing high tariff of the United States came into force, while almost as soon as the works at Philadelphia got on a production basis, still further protection was afforded the manufacturers in the United States. The Barrymore Seamless Wiltons, Inc., of Philadelphia, has been a pronounced success from the start. The original works has been enlarged and is operating to capacity and a combing and spinning plant and dye works was established in Holmesburg, Pa., a suburb of Philadelphia, three years ago. The later venture makes the United States subsidiary self-contained. The company gained an advantage over its competitors, also, in that it was the first concern in the United States to manufacture seamless Wiltons.

U.S. Offshoot Earns

All of the common stock of the United States company is owned by the Toronto Carpet Manufacturing Co.

Another important factor in enabling this company to tide over periods of distress common to the industry, is the fact that its Canadian products are diverse in number, high in quality and manufactured under conditions promoting efficiency from the highest official to the newest apprentice. Thanks largely to the sales efforts of this company and the high quality of the product, the average buyers of Wiltons or Brussels no longer demands the imported commodity, as it has come to be known that the domestic product is not excelled. This brings to the company a constant trade, especially since it has developed a business in seamless Wiltons, some of these running as wide as three yards. The fairly general improvement in the business is reflected in the carpet company and it is expected that there will be a brisk business for hotel work, since it is reported that new hotels are to be built and much money spent in the renovation of others.

Cloth Market is Dull

Two subsidiary companies, Barrymore Cloth and Campbell Cloth Co. are weaving wollen cloths which are demonstrating their equality with the best of the imported goods. These mills have not, however, been operated to capacity for some months, due to the increasing importations from England, France and other countries which are afforded tariff advantages by the Canadian government.

The main works of the Toronto Carpet Manufacturing Co. and Barrymore Cloths at Toronto fill two large city blocks and the factories have a floor space of 500,000 feet. Here can be seen every process in the treatment of the wool as it comes from the sheep's back in Canada or in India or in several other countries, down to the point where the rugs or carpets are rolled or the goods, in the bolts, are wrapped for the jobber's warehouse and retailer's shelves.

Plants Are Modern

Nearly 1,000 electric horsepower for this plant is generated by steam on the premises and a high pressure of steam is maintained also for the washing and dyeing of the wool. When the works is operated to capacity an additional amount of electric current is obtained from the Toronto hydro system.

Throughout the plant the most efficient machinery is used for every operation. Included are a number of carding machines manufactured in England which are, despite their eccentric and rapid motion, marvels of silky operation. One of the spinning mules is the largest ever built. The company maintains its own designing staff and also has the latest devices for the making of jacquards and the setting of the spools for the looms.

Capitalization—

	Authorized	Outstanding
Common	$1,000,000	$1,000,000
Preferred	1,000,000	732,000

8 per cent. non-cumulative.

Funded Debt—

First mortgage, 6 per cent, bonds due 1944	$5,000,000	$ 970,000

Dividend Record—

Dividends on preferred paid regularly; on common also at rate of 8 per cent. per annum since incorporation in 1891. Payments on both classes quarterly, Jan., Apr., July and Oct. 1.

Officers and Directors—

F. B. Hayes, pres. and gen. mgr.; G. D. Perry, vice-pres.; P. D. Hayes, vice-pres. and asst. gen. mgr.; S. J. Cragg, sec. and treas.; G. H. Muntz, B. Barry Hayes, D. L. Sykes.

Financial Position—

Total assets as at Sept. 30, 1925, were $2,262,281, and surplus $922,042, against $873,159 in the previous year.

BARRYMORE CLOTH
(Controlled by the Toronto Carpet Mfg.)

Capitalization—

	Authorized	Outstanding
Common	$600,000	$550,000
Pref. 8 per cent.	400,000	382,300

All issued common stock is owned by the Toronto Carpet Mfg.

Dividend Record—

Dividends on preferred have been regularly paid since incorporation in 1917. Total assets as at Sept. 30, 1925, were $1,845,772, and surplus $85,594.

Stanfields

Earnings Up — Company is in Wonderfully Strong Financial Position

The sales volume of Stanfields, Limited, for the first eleven months of the current fiscal year has been some 10 per cent. higher than in 1925. Whilst the prices which have been obtained this year are somewhat lower, the cost of raw materials has also declined. Thus, the earnings for the full fiscal year which ends Dec. 31, should prove satisfactory to the shareholders.

The financial position of the company is so strong that the shareholders can well afford to face the future with the utmost confidence. The last annual statement showed a working capital alone which was equivalent to $168 per share of stock outstanding. Earnings were equal to more than twice the dividend requirements.

Some additions and extensions to the plant have been completed this year. These are to house the machinery for the manufacture of rayon knit goods. The company embarked upon this field of activity about a year ago. The extension to the plant has cost in the neighborhood of $200,000. Stanfields output until a few months ago consisted entirely of high grade woollen underwear. However, very satisfactory results have been achieved in the rayon underwear field.

The company was incorporated in Nova Scotia in 1905 succeeding the Truro Knitting Mills Company. It also owns the Amherst Knitting Mills which is not in operation, due to the poor conditions which prevail in the woollen industry. The outlook for the company is excellent, for it seems that ultimately there must be some further distribution to the shareholders in view of the satisfactory financial position of this Nova Scotian textile industry.

Capitalization—

	Authorized	Outstanding
Capital stock	15,000 shs.	10,000 shs.

No par value.

In 1924 a new company was incorporated. The preferred stock in the old company was redeemed at 105. The common stockholders were given two shares of "No par value" for each share of $100 par value of the old company.

Funded Debt—

None.

Dividend Record—

Dividends on preferred stock formerly outstanding were paid regularly, on old common at rate of 4 per cent. per annum. Dividends on no par value shares $1 per share quarterly, Jan., April, July and Oct. 10.

Officers and Directors—

Frank Stanfield, pres. and mgr.; Hon. John Stanfield, vice-pres.; Frank Stanfield, Jr., sec.; A. J. Campbell, H. F. Bethel, L. M. Christie.

Profit and Loss—

	1924	1925
Profits	*$102,015	*$97,193
Depreciation	....	....
Dividends	28,750	40,000
Contingent	15,000	15,000
Surplus for year	$ 58,265	$42.193

* After making allowance for bad debts, depreciation, etc.

Three Years' Earnings—

Year	Earnings	Dividends	Surplus
1923 ..	$133,612	$37,500	$81,112
1924 ..	102,015	28,750	58,265
1925 ..	97,193	40,000	42,193

Wabasso Cotton

Earnings Have Increased This Year—Produces Finest Cotton Textiles and Has Added New Lines.

For the current year to date, the earnings of the Wabasso Cotton Co. show an increase as compared with the corresponding period of last year. The improved business which the company has experienced during the past two years has resulted in the decision to increase the output of the plant, and an additional 10,000 square feet of floor space is being added to its mills.

The output consists of fine cotton, lawns, nainsook and cambric. Until 1925, the company produced nothing but fine weaves of white goods; that year several coloured lines were added to the production. Of more or less recent date, the company has gone into the manufacture of rayon weaves. These and its coloured lines have met with a good demand.

History of Company

The company was first incorporated in 1907 to secure for Canada part of the trade in fine white cotton piece goods, cambrics and yarns, until then entirely imported from abroad. A mill was constructed at Three Rivers upon the most up to date lines, machinery being supplied by the best cotton machine builders in the world. In 1912, the company purchased all the capital stock of the St. Maurice Valley Cotton Mills, also at Three Rivers, which is operated as a separate unit, but which ocupies the same plant.

In 1916 further expansion was undertaken by the acquisition of over 90 per cent. of the stock of the Shawinigan Cotton Company which operates mills situated at Shawinigan Falls, P.Q. This plant produces hosiery, knitting yarn and knit goods. The Shawinigan Cotton Company in turn controls the Oxford Knitting Mills of Woodstock, Ontario.

The St. Maurice Valley Cotton Mills is simply an extension to the original Wabasso plant, whilst the other two companies whose output consists of hosiery, knitting yarns, etc. are situated at Shawinigan Falls Quebec, and Woodstock, Ontario.

Capitalization—

	Authorized	Outstanding
Capital stock (No par value).	35,000 shs.	35,000 shs.

Funded debt—

First mortgage 6 per cent. bonds, due 1947	$1,000,000	$821,000
Sinking fund, 7 per cent. bonds, due 1942	750,000	682,000

Dividend Record—

Initial dividend of 2½ per cent., covering two quarters, was paid July, 1918; 1¼ per cent. Oct., 1918; 1½ per cent. Jan., Apr. and July, 1919; Oct., 1919, 2 per cent., which quarterly rate was maintained until Oct., 1920; Jan., 1921, to date $1 per share quarterly on shares of no par value.

Officers and Directors—

C. R. Whitehead, pres. and gen. mgr.; J. W. Pyke, vice-pres.; R. N. Ball; W. G. E. Aird, manager; W. I. Gear, Hugh MacKay, K.C., Wm. Harty, Jr., J. R. Ritchie, sec.-treas.

Profit and Loss—

Year end; June 30.

	1924	1925	1926
Op. profits	$265,193	$285,749	$313,438
Int. on inv.	96,644	90,318	82,177
	$361,838	$376,067	$395,615
Deprec.	100,000	100,000	100,000
Bond int.	103,085	100,092	98,629
Sink. fund	15,000	17,240	18,455
Net profits	$143,153	$158,735	$178,521
Dividends	140,000	140,000	140,000
Surplus	3,153	18,735	38,521
Prev. sur.	613,110	616,263	634,998
Balance	$616,263	$634,998	$673,519
Earn. r'te %	4.09	4.53	5.62

Nine Years' Earnings—

Year End. June 30.	Earnings	Dividends	Surplus
1918 ..	$515,868	$ 43,750	$580,347
1919 ..	477,551	100,625	603,263
1920 ..	489,425	140,000	299,279
1921 ..	435,913	140,000	442,381
1922 ..	396,014	140,000	546,156
1923 ..	416,877	140,000	613,111
1924 ..	361,837	140,000	616,163
1925 ..	376,067	140,000	634,998
1926 ..	395,615	140,000	673,519

Market Record—

	1924		1925		1926	
	H	L	H	L	H	L
Com.	72	47	66½	55	100	60
Bonds	96⅛	90	99	92	100	98

ST. MAURICE VALLEY
(Controlled by Wabasso Co.)

Capitalization—

	Authorized	Outstanding
Capital	$1,250,000	$1,250,000

(Stock all held by the Wabasso Cotton Company.)

Funded Debt—

First mortgage, 6 per cent. bonds, due 1952	$2,500,000	$1,267,700

Officers and Directors—

C. R. Whitehead, pres., R. N. Ball, W. G. E. Aird, J. W. Pyke, Hugh MacKay, K.C., J. R. Ritchie, sec.-treas.

OXFORD KNITTING
(Controlled by Wabasso Co.)

Capitalization—

	Authorized	Outstanding
Capital	$50,000	$50,000

SHAWINIGAN COTTON
(Controlled by Wabasso Co.)

Capitalization—

	Authorized	Outstanding
Cap. stock	$1,000,000	$1,000,000

The Wabasso Cotton Co. owns $945,050 of the outstanding stock.

Funded Debt—

First gold bonds 6 per cent., due 1949, $890,000, of which amount $193,000 are owned by Wabasso Cotton.

Debentures 6 per cent., due 1936, $200,000.

Dividend Record—

None.

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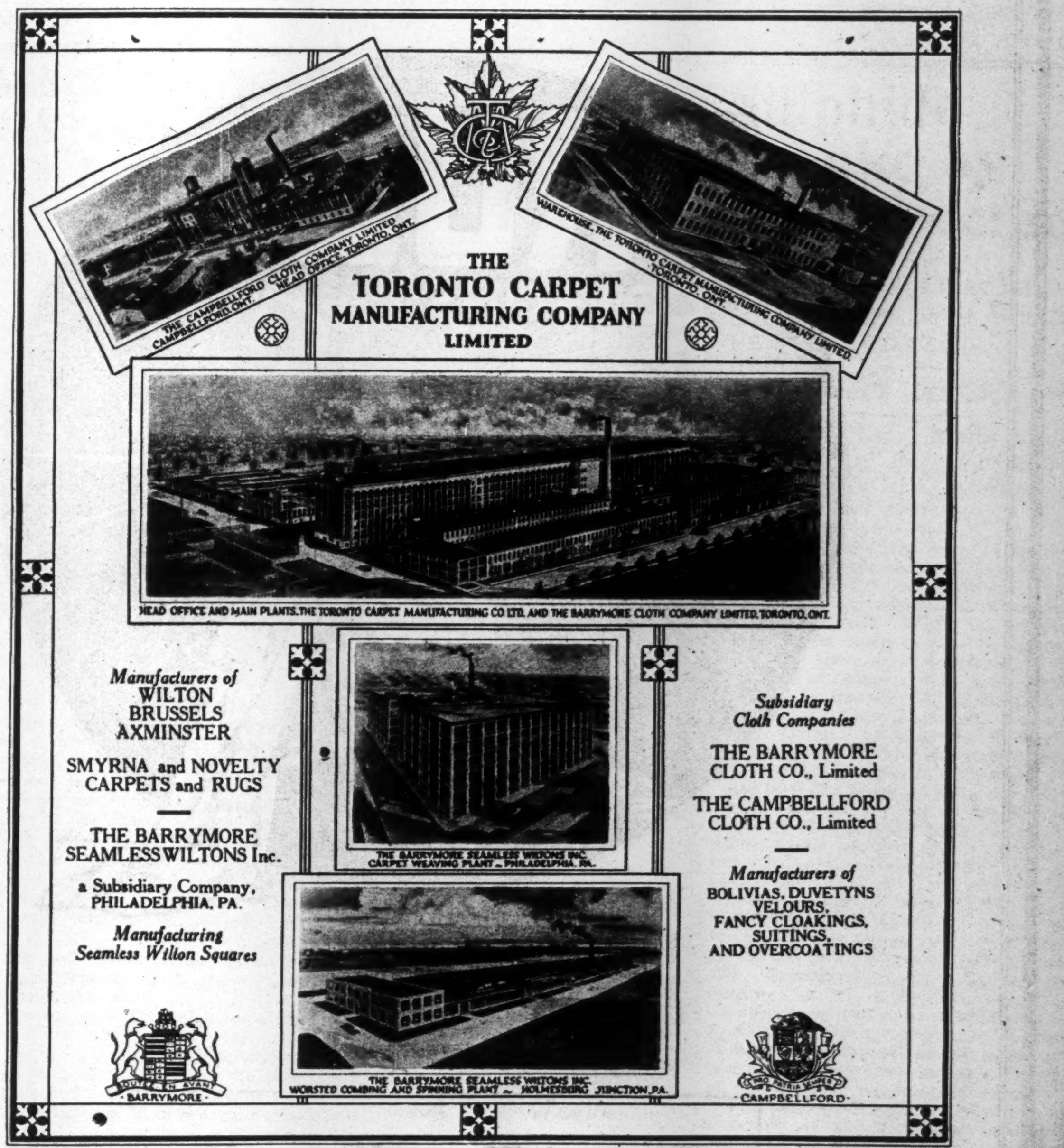
Canadian Co-Operative Wool Growers Limited
Head Office, 217 Bay St., Toronto, Canada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Manufacturers of
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SUITINGS,
AND OVERCOATINGS
THE CAMPBELLFORD CLOTH COMPANY LIMITED
CAMPBELLFORD, ONT. HEAD OFFICE, TORONTO, ONT.
WAREHOUSE, THE TORONTO CARPET MANUFACTURING COMPANY LIMITED, TORONTO, ONT.
HEAD OFFICE AND MAIN PLANTS, THE TORONTO CARPET MANUFACTURING CO LTD. AND THE BARRYMORE CLOTH COMPANY LIMITED, TORONTO, ONT.
THE BARRYMORE SEAMLESS WILTONS INC.
CARPET WEAVING PLANT ~ PHILADELPHIA, PA.
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WORSTED COMBING AND SPINNING PLANT ~ HOLMESBURG JUNCTION, PA.
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Soundly Growing—

The Bruck Silk Mills

Expansion

DURING the past year, the company has completed an extension costing over $300,000—which, from now on, will result in materially increased production.

The new lines which have been added during the year have met with a favourable reception at the hands of the trade.

The consistent public demand for the company's output—which has resulted in continuous operation of the plant since its inception in 1921—coupled with excellent earnings prove that the company's expansion programme is based on sound and conservative lines.

The only Canadian company carrying out all the operations of silk manufacture under one roof.

The output consists of silk dress goods, including Canton crepe, crepe de chine, silk and wool crepe, satin Canton, satin crepe, flat crepe, fancy novelties, silk yarns and silk prints. Plant at Cowansville, P.Q.

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Contributing to Canada's Progress

A STORY OF DEVELOPMENT

FIRST incorporated in 1905, The Dominion Textile Company acquired the business of four companies. At that time textile production in Canada was a small item in the national production, but even then, the company was the leading producer of textiles in the Dominion. Its leadership has continued—to-day it is still the dominant producer of cotton textiles in Canada. An industry which now plays a major role in the Dominion's industrial progress.

During the past twenty years the output has increased both in quantity and variety. Included in its range of products is practically every variety of cotton yarn and weave.

The company now owns and operates ten plants whose efficiency and up to date methods compare favorably with plants located in other countries. One result of this is seen in quality of the products which yearly increase in public favour.

Eight plants manufacturing yarn and cloth from the Raw Cotton, a Bleachery and a Print Works constitute the Dominion Textile Co., Ltd.; in this enterprise is invested over $30,000,000, practically all owned by Canadian investors—which is unusual by comparison with many other major Canadian enterprises which are controlled by foreign capital.

Dominion Textile Products

Printed and Dyed:

- Broadcloths—Printed and Plain Shades
- Fancy Shirtings
- Printed Dress Goods
- Mercerized Taffeta
- Crepes—Plain and Printed
- Egyptian Krinkle
- Chambrays
- Flannels
- Draperies
- Ticking
- Quiltings
- Scrims
- Printed and Dyed Drills
- Pocketings

Grey and Bleached:

- Bleached Cottons
- Cambrics
- Long Cloths
- Interlining
- Bleached Drills
- Sheetings—All Widths
- Pillow Cottons
- Towels
- Toweling
- Canton—Grey and Bleached
- Bag Cloths—Grey and Bleached
- Hosiery and Sale Yarns
- Grain Bags
- Duck—All Weights
- Blankets
- Shoe Lining
- Rubber Cloths

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Vice-President: Sir Herbert S. Holt
Directors: J. P. Black, C. R. Hosmer, F. G. Daniels, W. A. Black, J. H. Webb
General Manager: F. G. Daniels
Sec.-Treasurer: J. H. Webb
Asst. Sec.-Treasurer: J. A. Fish

Dominion Textile Co.
Limited

Montreal Toronto Halifax Vancouver

Canadian Mining News
THE FINANCIAL POST
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Believe Deeper Drilling Will Bring Large Oil Production in Alberta

Some Interesting Facts in Regard Oil Hunt in West Are Presented in Review of the Situation, Especially as it Relates to the North

SUCCESS IN WAINWRIGHT AREA MATERIAL

Mystery Well of Imperial Oil at Fabyan Has Seemingly Got Many Guessing — Fair Measure of Success Has Been Met With To-date

The following article on oil development in Alberta was sent The Financial Post by H. Norbury, Edmonton, having been prepared by him at the suggestion of Central Oil and Gas Association, and the executive of that association authorized its publication.

Alberta has now been officially recognised as the largest oil-producing province in the Dominion and during the past year it produced more oil than all the rest of Canada combined.

This condition has been brought about by the remarkable output of Royalite naphtha well No. 4 which is controlled by the Imperial Oil Co. in Turner Valley, by the steadily growing output of crude oil from wells in the Wainwright field and by production from other wells in various parts of the province. Producing wells have also been obtained north of the Alberta boundary and these include the two Imperial wells at Fort Norman, near the Arctic circle, which produce at the rate of about 100 barrels of oil grading 36 degrees Beaume, a day.

Much has been said and written in regard to the discovery of oil in western Canada but no article purporting to deal with the history of oil development in Alberta can be regarded as complete or even fairly presenting the true facts of the case if it does not contain accurate reference to the operations which have been conducted to date in the Wainwright-Fabyan-Irma field.

The Wainwright field, (as it is more generally termed,) is the only part of Alberta where crude oil has been found in more than one well in commercial quantities and has been refined and sold on the open market. The several completed wells in this field have produced more positive proof regarding the existence of crude oil in western Canada than all other drilling operations combined.

With but two exceptions, every well sunk to a depth of 2,300 feet or more in the Wainwright area has encountered a producing oil sand and even those two wells not classed as producers have yielded cores of fine sand highly saturated with oil.

17 Wells Drilled

"The development that has taken place to date in the Wainwright-Irma field has produced the most phenomenal results," states Dr. John A. Allan, chief of the department of geology of the province of Alberta in an article published recently. He said:

"Seventeen wells have been drilled but only nine of these have been completed to the cretaceous oil horizons. Three of these wells are classed as producing wells, three are gas wells, one contains gas and oil, and the remaining two are dry in so far as the upper oil horizons are concerned. In other words, over eighty per cent. of the wells completed in this field contain oil or gas."

An article published in Alberta early this year over the name of C. O. Stillman, president of the Imperial Oil Co., contains the following paragraph:

"The Wainwright area can now claim the distinction of being a 'field,' in as much as steady production is being obtained from wells of British Petroleums Limited and definite assurance of the presence of petroleum will undoubtedly encourage the drilling of further wells."

Saw Much Evidence

The question, "Is there oil in Alberta," has been most emphatically answered in the affirmative, not only by at least three oil companies which have drilled commercial producing wells but by many eminent geologists. Colonel R. Bruce Harkness, of Toronto Oil and Gas Commissioner for Ontario recently stated:

"I examined the bottom core from the Edmonton-Wainwright well and found thirty-eight feet of fine uncemented sand . . . saturated with oil throughout. This well was flowing by heads through eight-inch casing about once in twenty-four hours. It had not been pumped when I examined it and the production can only be estimated. I think 150 barrels would be conservative. Given the same conditions higher on the structure, where the oil will be lighter and with more gas pressure, the production of future wells will undoubtedly be measured in hundreds of barrels. Development to date gives ample assurance that oil will be found over a considerable territory along the crest of the structure."

According to Dr. Allan who is regarded as an authority on Alberta oil formations and whose findings are the result of many years of practical study of the various fields, the area between Birch Lake and the Wainwright district located 70 to 120 miles south-east of Edmonton, is one of the most promising oil-producing areas in the province.

"The total area in this structure alone that may be classed as worthy of exploration by drilling is represented by at least 280,000 acres," he states.

"With three proven oil fields in Western Canada, namely, Turner Valley, Wainwright and Fort Norman, and with a large territory where geological conditions are favorable for oil accumulation, the prospects are most encouraging for Alberta to become a producer of large quantities of petroleum.

"There is no reason for pessimism over the future possibilities of oil in this part of Alberta and every encouragement should be given to those companies now drilling.

"Oil from the Wainwright field is a heavy oil with a gravity between 18 and 22 degrees Beaume. It has been definitely proven to be a valuable oil," he adds.

Value of Products

The value of the oil produced in this field has been proven beyond all doubt. During the past eight months, crude oil from Wainwright has been shipped into Edmonton refined at the plant of Alberta Refineries Ltd. and sold to the public in the form of gasoline, tractor oils and fuel oil. To date this refinery has used a total of 130,000 gallons of crude oil from one well in the Wainwright field. In addition to this, large quantities of the oil have been used in an unrefined state in threshing machines and farm machinery near Wainwright

(Continued on page 27)

"Nothing in the World More Promising"

"I do not believe there are any other drilling propositions in the whole world more promising," said Neil McQueen of the geological staff of the Imperial Oil Co., addressing the Rocky Mountain Oil and Gas Association annual convention at Grand Falls, Montana. "Anything can happen in the Turner Valley fields," he said, "judging by the unbelievable conditions met with already."

Cash and Information Bring Imperial Success

Recent statements to the effect that the Imperial Oil Company considered its $5,000,000 investment in Alberta oil exploration largely an unproductive investment, do not jibe well with an article in the Imperial Oil Review, the company's employees magazine.

Recalling that companies drilling for oil in one California field drilled eighteen dry holes before the nineteenth hole came in with oil, the Review recalls that Imperial Oil spent $5,000,000 in Alberta and then made "an oil discovery of economic importance."

The Review states:

"When Imperial's discovery finally did come it was in Turner Valley, the only area in the whole territory that had been drilled to any extent before; an area in which the structure had already been pretty accurately mapped and in which many of the dominating geologic factors were already known. So far as the location of the well was concerned, the element of luck had been practically eliminated.

"But there was one aspect in which Royalite Number 4 entered virgin territory in Turner Valley; it went to greater depth.

"Up until the remarkable discovery of high grade naptha in Royalite No. 4, it had been the accepted theory that the geologic horizon in which to look for oil in that area was the Dakota sand rock which lies at the base of the Benton. Royalite No. 4 pierced the Dakota, the Kootenay and the Fernie and went 230 feet into the underlying lime before encountering the strata from which production is now being taken. The well was put down to such extreme depth in deference to a theory—the theory that the derivation or point of origin of oil lay somewhere in the upper measures of the lime. A test of this theory, at large cost, led to the discovery of oil.

"So, just where does the factor of luck enter and where does it leave off in the oil game?

"To the uninitiated, it looks as though it is just a matter of getting a hunch, hauling a drill onto a location and putting down a hole; then, to the lucky ones, an oil well.

"But it is nothing like as simple as all that, and if the location of oil wells were left entirely to luck the world would no doubt find itself famishing for oil within the year.

"On the other hand, however, without adequately-financed organizations prepared, in the absence of complete information, to trust to luck for some of the factors, it is also certain that the world would quickly be short of oil.

"If there is a formula with which to invoke luck in the search for oil it must be in some way wrapped up with the manifest coincidence that luck flows to the organization having the completest information."

U.S. SMELTING IN LARGE DEAL FOR GROUP IN QUEBEC

Will Spend $1,250,000 on Rouyn Boichatel Property Near Ribago-Corona

U. S. Smelting and Refining has about concluded a deal with Rouyn-Boischatel Development for its group of six claims adjoining Ribago and Corona near Boischatel Duprat boundary. It is understood that four additional claims separated from the large group by a Stadacona claim and 6 claims to the west or 16 claims in all are to figure in the deal.

W. H. Thorburn who engineered the deal says a $5,000,000 company will be organized and Rouyn Boischatel shareholders will likely get a dividend in shares of the new company of about 12½ new for each one held. The company will still have its Horne Reef group and its block adjoining Consolidated Smelters on Montbray. It is understood that a substantial cash payment has already been made on the 10 claims optioned to go into the new company and that the consummation only awaits approval of Rouyn Boischatel shareholders. It is understood from Mr. Thorburn that U. S. Smelting undertakes to spend $1,250,000 on the property and in addition will take an option on a block of shares going to Rouyn-Boischatel.

Spectacular Ore in Both Drifts on 800 Level of Gold Hill

Gold Hill Mines, which is developing its property in Boston Creek area, continues to get spectacular results in its west drift on the 800-ft. level and is also in commercial ore on the east. The west drift continues quite spectacular and is now in about 80-ft. from where the high grade ore, shot with free gold, was encountered. The ore continues very consistent.

On the east side the company ran a drift east from the crosscut for 100-ft. and opened out $8 and $9 ore. This was fairly encouraging but what was equally so, the width of the zone showed a tendency to widen. Since then several rounds were taken out and good commercial ore with lots of free gold showing in the different faces have been broken down in the different rounds. Assay results are not as yet available.

Boischatel Mines Will Start Diamond Drills

The financing contract recently announced by the Boischatel Mines is understood to be progressing favorably. Substantial cash payments have already been made by the underwriters to the company's treasury, and the issue has been favorably received by the public. A large portion of this company's stock is believed to have found its way into the hands of a strong American syndicate. The property was recently examined by J. C. Houston, who reports that the geological conditions are good. No. 2 group, adjoining the Timmins (Slim Halliwel), which consists of eight claims, lies along the northern contact of a belt of granite rock (probably syenite). The granite contact areas are notably the productive zones in this Quebec copper-gold district, the Waite-Montgomery and the Noranda being situated close to such geological formation. It is consequently believed that development work planned for Boischatel Mines should disclose large mineralized zones. Officials of the company have decided on a campaign of diamond drilling to begin as soon as arrangements can be completed.

Alderson-Mackay claims, being operated by the Towagamac Exploration Company was spoken of by Arthur B. Parsons, assistant editor of the Engineering and Mining Journal of New York, as having given first evidence of a reasonably assured mine. Group No. 1 of Boischatel holdings adjoins.

New Aeroplane Service For Red Lake Area Soon

Red, Woman and Narrow Lake areas, are to have a second airplane service, though on last reports no service was being operated at all. Western Canada Airways Ltd., has been organized and one machine, a Folker, 5 passenger cabin and half ton freight capacity, has been purchased. Capt. H. A. Oaks, who operated the plane in that section last summer will be in charge and is now in the U. S. taking delivery of the machine. He expects to get the machine north and his service started by the end of the month.

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MARKET UPSWING HAS TAKEN PLACE IN MINE SHARES

Decline in First Week of Month Overcome and Gains Recorded

Last week in discussing the mining market we presented the trading figures in many of the important stocks over a 5-year period so as to enable investors and speculators to size up the situation. One rather interesting fact about the figures was that they showed a material softening in the market in the first four or five days of this month. This softening, however, has not been maintained, as in the last couple of days a decided strengthening has taken place with the Quebec issues taking the leadership. Some of the daily financial editors and some of the brokers seem convinced that the mine shares are away on a bull move. It is an interesting conjecture.

For the past couple of years the market has been doing the unexpected. The summer lull failed to materialize, there were predictions of big things after the Federal Election, but this was not forthcoming. One is led to wonder if the present move on the market is not an effort to get in early for a possible new year's drive.

The table below shows partly what has taken place in two weeks. It does not indicate the decline which took place in the first four or five days of the month and practically all of which has been recovered, but in many cases more than made up.

The Quebec stocks have been quite lively, and it may be that the long talked boom in these issues is underway. Developments in the Quebec field are steadily becoming more important and reports of new copper discoveries are being received with considerable regularity. Indications are that it will be a busy winter in the camp. The new railway is handling a considerable amount of freight and there are heavy shipments going in from the Ontario side. Much diamond drilling has been planned while three or four concerns are waiting for the Swedish electrical survey to plot their ground for drilling. Noranda has proven a real market leader.

Northern Ontario gold stocks are all showing strength. Vipond moved sharply because of dividend possibilities. Dome is a little weaker. Hollinger and McIntyre have strengthened. Lake Shore and Wright Hargreaves are up with Teck Hughes a little down. Kirkland Lake Gold has not kept pace with the predictions on the street. Tough Oakes interest has also died down. Gold Hill and Hill Top, Boston Creek both did better.

Silver prices continue weaker and the silver stocks have not much to offer buyers at present bar silver quotations. Nipissing had quite a spurt but it is believed that Quebec reports were the factor. Keeley, Canadian Lorrain and Castle are all

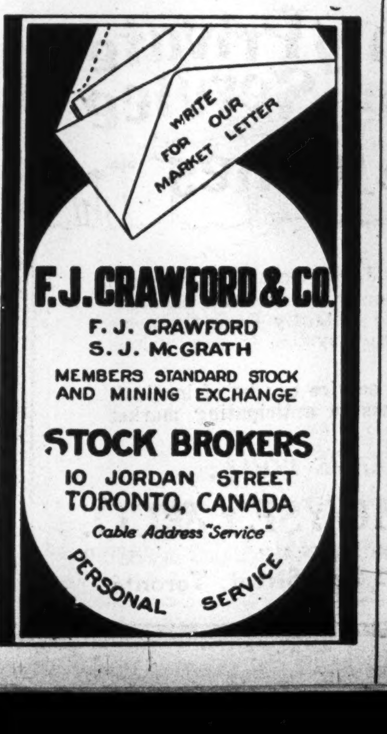
(Continued on page 28)

Await Houston Report On Find on Corona

Application to list Corona stock on Standard Exchange is to be made immediately.

The important discovery made recently on Corona Mines on Boischatel-Duprat boundary appears to be bigger than was at first anticipated though it has been impossible to secure full details as the company are reluctant at this time to give out all the facts until such time as a full report is received from J. C. Houston who is on the proerty now. Prospectors and mining men who have seen the find claim that it is one of the outstanding discoveries in Northwestern Quebec.

On the adjoining Consolidated Smelters, Ribago Copper Corporation and U. S. Smelting and Refining, equally good discoveries have been made and consequently it is to be expected with perfect geological conditions that this section will command an important place in Northwestern Quebec development. All the companies seem to have finances. Corona will diamond drill this winter.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Delimit Huge Sulphide Body at Red Lake by Electrical Prospecting

Section of Camp May Reveal Chalopyrite Body When Opened Up

DISCOVERY IMPORTANT

Sherwin F. Kelly Made Intensive Study at Behest of Hon. Chas. McCrea, Minister of Mines

Canada is credited with evidencing a greater proportion of interest in the development of electrical prospecting methods than any other part of this continent. While the greater part of this work is now being carried on in the copper-gold area of the Province of Quebec, with some slight activity in British Columbia, mining men are watching the results that are being secured by Sherwin F. Kelly, who is operating the Schomberg system in the Red Lake mining area.

As noted in these columns some few weeks ago, the reports of Mr. Kelly's findings in Red Lake have raised the point as to whether this camp may not ultimately divide itself into an area producing gold in widely dissimilar geological formations. It is understood that the gold deposition on the Howey property is what may be described as a quartz lode formation. According to the potentiometer readings of Mr. Kelly, however, gold deposition in the area a mile or two east of the Howey appears to be more of a sulphide deposit of the large ore body formation that is more typical of the Quebec copper-gold camp.

This opinion has been arrived at as a result of the electrical prospecting done by the Ontario Government on the properties of the Toronto Red Lake Syndicate and the Dunlop Syndicate. While the definite proving of this theory must await more intensive surface and underground development on the properties of these two companies, the possible existence of a sulphide or chalcopyrite ore body in this area has attracted attention. The action of the Hon. Chas. McCrea in employing electrical prospecting equipment in Red Lake has been cited as an evidence of the progressive development measures inaugurated by the Ontario Department of Mines, under Mr. McCrea's regime.

Success on Noranda

In considering the significance and practicability of electrical prospecting methods, distinction should be made between the comparatively simple operation of a "dip needle." While the system is considered by some authorities to be as yet in its infancy, the results obtained by Mr. Kelly in his measurements carried on at the Noranda mine last year and this year in Red Lake, must be accepted as very strongly indicating the reliability of this form of ore location. On the property of the Noranda mines, Mr. Kelly is credited with having located what is known as the "E" and "G" ore bodies and when the readings obtained on the Noranda property are correlated with the readings obtained on the property of the Toronto Red Lake Syndicate, there is reason for evidence that the latter company would be justified in following up the ore bodies delimited.

It is understood that readings of 650 millivolts were secured on the "E" ore body and 400 millivolts were secured on the "G" ore body on the Noranda property. The readings on the Toronto Red Lake Syndicate delimited an area of mineralization from 200 ft. wide north and south by 400 ft. long east and west and showed a reading of approximately 280 millivolts.

How System Works

While the system may, at first sight, appear complicated to the average man, the readings as supplied by the prospecting company are

(Continued on page 26)

Took Two Grim Battles to Make Teck Hughes Go

One hears considerable gossip about the action of Teck-Hughes in giving manager D. L. H. Forbes an option on 10,000 shares of the company's stock at $1 per share while the market price of the shares stands around $5.

"It is generally conceded to be well deserved," says Mining Journal Press, New York. This is about right. Mr. Forbes has been a busy man making a mine and while he had numerous opportunities, it is almost safe to say that he gave no attention to the market side of the question. In fact, instances that would show to the contrary could be easily cited.

A letter which The Financial Post had from Pres. Chas. Denison some time ago perhaps sizes up the view of the directors, when in discussing Mr. Forbes' efficient management he said, "Mr. Forbes has been a great comfort to me."

Teck provides two grim battles. Pres. Denison had the first, financing. Mr. Forbes had the second, finding the mine.

ARGONAUT TO OPEN TWO NEW LEVELS AT 1125 AND 1250-FT.

Production Returns Have Materially Advanced in Last Few Weeks

Much interesting gossip is going the rounds in regard Argonaut and Barry Hollinger. It would seem that these two mines got over their troubles—finding a large tonnage of commercial ore—about the same time. There has been talk of Argonaut's ore running very low and that some explanation should be forthcoming. The writer recently received the explanation from Gen. Mgr. J. A. Naud. It was to the effect that the company has not bothered with production results until recently, being bent on getting ore reserves up. However, better production was somewhat delayed by the late arrival of the new concentrating machine but since its installation there has been a marked change. The management is now busy blasting the station at the 1,000-ft. level in preparation for sinking. Two new levels, 1,125 and 1,250 will be opened up and will be reached in 3 months. It will then take another four weeks to reach the downward extension ore bodies already opened on the 875 and 1,000-ft. levels.

Mr. Naud said they knew just where they were going to drive to. There are two substantial high grade bodies northwest of the shaft and one on the other side. In addition diamond drilling on the 875 and 1,000 levels has revealed 3 additional ore bodies which they are going after.

Argonaut has three stopes on both the 875 and 1,000 levels and the last one, 803 stope is 15-ft. across. It is the largest ore body encountered but not the richest though values are high.

Hill Top Pay Streak Widened to Three Feet

Hill Top shaft on last report was down 140-ft. and the vein had widened considerably. Values continue about the same. The vein is dipping back into the shaft again and may lose some of the new width—3-ft., but is expected to continue wider than above the 140-ft. mark. The paystreak on last assay showed $100 ore.

NIPISSING MAKES PAYMENT

Nipissing is understood to have made a third payment on its promising Montbray, Que., group.

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End Litigation Over Abana Shares Before Progress is Possible

Present Board Will Take Steps to Contest Points of Injunction

Abana directors are preparing to put up a legal battle against the several injunctions instituted against the company. Meanwhile they have halted operations on the property in North-West Quebec but are keeping the sumps going. Payments which fall due on the property, meanwhile, will be made by the directors. The last report, dated Sept. 27, showed cash on hand and in bank $1,392. It is understood that there is a $5,000 payment on property account soon due.

Pres. J. C. Lamothe said that the directors proposed to clean up the situation in regard to the injunctions which have to do with the voting of certain shares which are held in trust and also the sale of shares, as soon as possible and then the matter will rest with the shareholders as to what they wish done and as to who shall be their future officers.

No Construction Plan

Mr. Lamothe made the point, in discussing the situation, that has developed within the company, that so far no constructive moves have come from those opposed to the proprosals put forth by the directors. They had suggested a reorganization so as to get shares underwritten at a price that would net the company a return in keeping with the position of the property. This had been opposed and for the present the situation is not attractive. Abana has 1,700,000 shares issued and 1,300,000 held in trust for the treasury.

The Abana deal has always been more or less complicated. The properties were taken over from the prospectors by Canadian Exploration Ltd. This company had assumed certain obligations in the way of payments and these obligations were assumed by the Abana Co., and they turned over their capital to Canadian Exploration and out of the 3,000,000 shares kept 1,000,000 and placed 2,000,000 with a trust company to be used by the directors for financing.

Mortgage $98,000

The recent financial statement shows a mortgage against the property of $98,000, which is taken to mean the total of payments due, so it is evident that the total price paid was high enough when the 1,000,000 shares of stock are considered. Later there developed some trouble in regard to the underwriting agreement and this undoubtedly played a part in forming the shareholders protective committee. As the proposal of the directors included a plan for the company to do its financing through a subsidiary, it is natural that there would be opposition to cancelling the existing financing deal.

May Be Tied Up

Indications are that Abana will be tied up for some time; which side will ultimately win out is problematical. On the issued stock, it would seem the Canadian Exploration with its 1,000,000 shares less perhaps around 100,000 which may have been disposed of has the upper hand. It is understood that the underwriters are associated with this company. The directors have sold about 700,000 shares and would be dependant on the support of these. From this it can can be seen that the point raised in regard to the voting of the 1,300,000 shares held in trust is of decided importance to both sides.

SILVER AND ZINC VALUES SECURED IN SCHREIBER CAMP

Only Prospecting for Gold Has Been Going on in Past

The securing of attractive values in gold, silver and zinc on the Singleton property at Schreiber may open out big possibilities for that area. Heretofore only prospecting for gold has been carried on in the section.

The showing occurs almost within the town limits in an area characterized by intrusions of quartz-porphyry in the felsite. The discovery is close to the contact of Keewatin rocks with a batholith of Algoman granite which runs from the edge of the town almost due south to Gwynne Mountain, with a width of from a quarter to three quarters of a mile. The gangue is of quartz and calcite, the mineralized portions carrying iron pyrite, chalcopyrite, zinc blende and galena. Character samples taken from the property show values of 36 ounces in silver, with gold values of over $5 per ton, as well as quantities of zinc, and it is understood that assays from the claims have shown much better values than the above, although under the present circumstances it is not considered advisable to make public any further details. While a great deal of work has been done on the Singleton property, it is only recently that the silver and zinc showings have been found in relation to gold, and consequently the discovery has not been opened up fully. Sufficient is known, however, to indicate a deposit of some importance, and the fact that engineers of Victoria Syndicate are interested, will undoubtedly result in a quickening of interest on the part of prospectors.

Golden wax beans are now being canned in Meteghan, Digby County, N.S., by the Clare Canners Co. At this early stage only 500 cases have been produced, two dozen tins to the case; but the experiment is said to promise well.

Invite 15,000 from 72 Countries to Visit Canada's Mines

The Second Empire Mining and Metallurgical Congress is to be held in Canada in August of next year. There will be a trans-Canada excursion visiting all the mining centres. G. C. MacKenzie, secretary of the C.I.M.M., is acting as General Secretary, and has sent out invitations to 15,000 members of the 10 institutes that compose the congress. These are scattered over 72 countries in five continents.

The annual meeting of the C.I.M.M. will not be held next March but will be delayed until the time of the congress.

Vipond Dividend Talk Arouses Much Interest

Huronian Belt London meeting is said to have caused the buying flurry in Vipond this week. The gossip going the rounds in regard the dividend expected early in the new year, has interested many. Especially is this true in regard the opinion that has prevailed in well-informed circles that the dividend might be a stock distribution. These interests held that it did not matter much whether Vipond paid out earnings in a dividend and then sold stock to provide expansion funds or diverted the earnings direct to development and made it up to shareholders by additional stock. The guiding factor would be the size of the dividend.

CASTLE'S NEW SHAFT

Castle Mine, Gowganda, will carry its south shaft from 300 to 600 ft., and drive east under the lake to pick up extensions of Tonopah ore zones.

BACKUS LOG ROAD MAY PROVIDE RED LAKE'S RAILWAY

If Development Warrants it Common Carrier Line May be Built

Kenora Paper Mills may build a branch railway line into Red Lake mining section and connect up with the C.N.R. and perhaps C.P.R. The company needs a line to the outlet of Lac Seul to operate its English River timber areas. Its first proposal was to erect a logging railway, but Pres. E. W. Backus has been in touch with mining interests in the area and as a result a road to act as a common carrier may be constructed.

For a time Backus interests gave consideration to taking a hand in the development of the Howie property, especially if it had been carried on as an operating syndicate. However there are other plans on foot for handling this operation.

It is likely that the Backus line would be carried through from the limits to Kenora and if so it would cross the C.N.R. according to the survey, now complete, at Jones and connect with the C.P.R. at Kenora

The recent reported deal on the Bathurst-Devine group, whereby Noranda interest will take hold of the development of this Narrow Lake property, will be of added interest to the Backus proposal.

ALGONQUIN EXPLORATION

Algonquin Mines, West Shining Tree, is carrying on surface exploration on its properties and President W. R. Knox, in a circular to the press, says eight veins have been found and stripped from 25 to 100 feet. Assays show shoots of commercial ore, some of the veins being of good width.

CONIAGAS IN GOUDREAU.

It is reported that Coniagas interests have optioned groups of property in Goudreau.

MINING STOCK QUOTATIONS

Week Ending Dec. 14

	Par	Div.		High	Low		Sales	Range, 1925		Range, 1926	
	Val., $	Rate	Yield	for wk.	for wk.	Dec. 14 Close	for wk.	High	Low	High	Low
Amulet	$1	...	...	1.55	1.33	1.54	163835	1.50	.85	1.67	.90
Algonquin	1	...	...	4½	3½	4	103500	3	1	6¼	1¼
Apex	1	...	...	3½	3	3½	21500	..	..	6	3
Area	1	...	...	50	24	47	649910	..	..	50	21
Argo. Con.	1	...	...	57	54	57½	148150	48	11	67	18½
Atlas	1	...	...	2	2	2	1000	5	¼	⅞	1
Baldwin	1	...	...	4¼	3¼	3½	45500	..	..	6⅞	1
Barry Hollinger	1	...	...	88	85	85½	83135	50	18	1.00	22
Beaver	1	...	...	58¼	58	56	33200	57	25	99	52
Bellellen L.	1	...	...	21½	20¾	21	5000	..	..	23½	20½
Bidgood	1	...	...	9	7¼	9	23775	..	..	9½	4½
Boston Creek	1	...	...	..	..	..	....	9½	4½	7½	2¼
Bourlamaque	1	...	...	1.37	1.35	1.37	54350	..	..	1.37	.66
Buckingham	1	...	...	5	4½	4½	22000	..	..	5	2
Can. Lorrain	1	...	...	61	57½	60	26250	80	22	93	45½
Capitol	1	...	...	38	26	26½	53000	38	24	50	25
Castle Tre.	1	...	...	1.14	1.10	1.12	37400	1.60	.71	1.85	.91
Chaput H.	1	...	...	5¾	3¼	3¼	35200	10	4	31	3¼
Clifton	1	...	...	..	..	..	....	26	2	6½	1½
Coniagas	5	...	...	4.50	4.20	4.35	600	5.00	1.25	4.80	3.00
Coniarum	5	...	...	3.75	3.60	3.60	300	4.00	1.00	4.45	3.00
Col. Kirk.	1	...	...	2½	2⅛	2¼	11500	10½	2	25	2
Cons. Smelter	25	10	4.00	261¾	246½	250¾	15379	183½	48½	265	177¼
C. W. Dome	1	...	...	23¼	21½	21¾	158070	25	10½	29½	14
Crown Res.	1	...	...	9½	8½	9¼	5700	55	15	24¼	8
Corona	.	...	...	22½	20	20	102700	..	..	24	20
Destor	.	...	...	40	40	40	3500	..	..	40	40
Dome Mines	None	$2.00	17.61	12.25	11.36	11.65	10656	18.00	12.90	20.00	8.00
Don Rouyn	.	...	...	41	38	39	3600	..	..	61	25
Dupuy	1	...	...	..	......	......	......	......	......	......	......
Duprat	1	...	...	29	20	27½	461625	..	..	29	10
Everett	1	...	...	4	4	4	3500	..	..	12¼	3¾
Goldale	1	...	...	29¼	27	28½	42200	37	14¾	43	24
Gold Hill	1	...	...	51	46½	49½	187775	..	..	73½	25
Gold Reef	1	...	...	1¾	1½	1½	1200	2½	1	5	1
Hillcrest	100	6	10.00	60	60	60	37	60	60	65	55
Hill Top	1	...	...	24	20	24	27800	..	..	31¾	20
Hollinger	5	26	6.84	19.00	18.80	19.00	2026	17.50	13.30	19.95	16.65
Indian	1	...	...	4	40	4	700	..	..	14½	3¾
Int. Nickel, c.	None	$2.00	5.13	39½	38	39	3264	48⅜	25½	46	33
Jay Copper	.	...	...	86½	84½	86	21600	..	..	86½	73
Keeley	1	24	15.80	1.56	1.48	1.52	11850	2.32	1.40	1.91	1.39
Keora Mines	1	...	...	13	12	13	10600	15⅞	8½	22	12
Kirk. Hunt.	1	...	...	31	27	30½	129950	..	..	34	8½
Kirk. Lake	1	...	...	77	71	74½	91475	92½	33	1.44	.69
Lake Shore	1	40	2.72	14.80	14.15	14.70	9345	10.00	4.51	15.10	9.60
Lakeside	1	...	...	5¼	3½	4	128160	..	..	10	1⅛
Laval	1	...	...	35	26	30½	176984	..	..	44½	21
La Rose	1	...	...	10	6	10	18300	53	7½	38	4
Lorrain	1	...	...	2½	2	2	8600	24	7	15	2
Lorrain T. L.	1	...	...	55	.55	.55	2000	1.34	.85	1.10	.30
Marclay	1	...	...	32¼	31	31¾	13500	..	..	32¼	30
Macassa	1	...	...	33	31	31	13800	..	..	43	31
McKinley	1	...	...	13	12	12	11800	42½	14½	26	8½
McIntyre	5	20	4.04	24.90	24.00	24.75	4185	22.70	16.00	29.75	22.70
Millcrest	1	...	...	6	5½	5½	6600	..	..	21	3½
Mining Corp.	5	5	8.90	2.90	2.77	2.80	134303	3.40	2.35	4.45	2.60
Moneta	1	...	...	13½	13	13	1000	..	..	18	11
Montreal Rouyn	1	...	...	25	22	25¾	34400	..	..	[illegible]	[illegible]
Noranda	None	...	...	23.50	20.60	23.00	73920	10.90	9.10	23.50	12.00
Newray	1	...	...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Night Hawk	1	...	...	5	4	4⅛	28200	44	17	31	[illegible]
Nipissing	5	12	8.59	7.19	6.50	6.99	39296	6.80	4.60	7.50	5.00
N. A. Lead	1	...	...	1.65	1.58	1.62	6250	..	..	1.65	1.50
Osisko L.	1	...	...	1.45	1.33	1.42	21400	..	..	1.45	1.00
Pete Lake	1	...	...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
P. L. Cobalt	1	...	...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Porc. Crown	1	...	...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Porc. Keora	1	...	...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Pioneer	1	...	...	1.10	1.04	1.10	21450	..	..	[illegible]	[illegible]
Premier Gold	1	32	16.24	1.98	1.93	1.97	22720	2.58	2.18	[illegible]	[illegible]
Preston	1	...	...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Rouyn	1	...	...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Rouyn, Que.	1	...	...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
South Keora	1	...	...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Stadacona	1	...	...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Teck Hughes	1	10	2.06	4.85	4.80	4.85	20132	3.00	1.23	5.00	[illegible]
Timiskaming	1	...	...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Thomp. Krist	1	...	...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tough Oakes	1	...	...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Towagmac	1	...	...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Victory Silver	1	...	...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Vickers	1	...	...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Vipond	1	...	...	1.73	1.57	1.66	46555	1.04	1.01	2.02	1.49
Wasapika	1	...	...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
West Tree	1	...	...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Wright Hargreaves	1	10+22½	3.35	9.50	8.95	9.50	16115	7.95	4.15	9.60	7.75

GOLD MINING IN N.S. NOW LIKELY TO HAVE REVIVAL

Change in Laws Prevents Large Areas Being Held and Nothing Done

From Our Own Correspondent.

SYDNEY.—A strong revival of gold mining in Nova Scotia in 1927 is predicted by R. E. G. Burroughs, veteran prospector and mining engineer, who has just acquired extensive tracts in Lunenburg county.

Burroughs' reasons for his optimism are several; among them being that extensive searches by government and private engineers during the last year have shown that the province really has large deposits of gold instead of occasional "pockets" as believed in years gone by.

Another is that recent amendments to the mining law have made it worth while for prospectors and others to get into the game.

Under the system in vogue up to the present time, it was possible for a man to hold valuable mineral areas under nominal lease from the government and undeveloped over a period of years. In some cases it was found that not a tap had been struck on valuable lands that had been held for as long as 40 years under the original lessee and even his heirs or estate.

Change In Laws

This has all been changed. Now an area must be developed within a reasonable time or the lease is automatically cancelled and may be taken by a bona fide miner or company prepared to go ahead with the work.

Again, many of the old time gold mining attempts in this province failed because of inefficient methods, not more than from 40 to 60 per cent. of the gold being extracted from the ore.

That this was really the case has been verified this year by assay of tailings from some of the mill dumps of 40 to 50 years old.

Modern methods, it is declared, can extract at least 96 per cent. of the precious metal from the ore.

Others besides Burroughs have expressed the opinion that old time operators in Nova Scotia, being of small means, followed the wrong method but the only one open to them in working down the slopes of the quartz veins which invariably petered out in short distances, leading to the belief that Nova Scotia gold occurred only in isolated pockets.

Experienced geologists state that if the South African method of deep mining were adopted, going down 4,000 feet or more and working the sucessive layers of quartz on the way down, there would be a vastly different story.

Smelters' Dividends For Year $10 a Share

Consolidated Smelters directors declared a 5 per cent. dividend, $1.25 and a $5 bonus, or $6.25 in all. This amounts to $10 or 40 per cent. paid this year.

No mention was made of the much talked of stock split and some are predicting that shareholders will get tired and sell. It may be that in this regard the wish is father of the thought. In the first half of the year 3 per cent. and $3 bonus or $3.75 was paid. The official statement reads:

> "The directors authorized the payment of a dividend of five per cent. and a bonus of five dollars a share for the half-year ending December 31, 1926.
>
> "The company's operations are proceeding satisfactorily.
>
> "Production is being well maintained. There are no unsold stocks of metal."

BARRY HOLLINGER DOES BETTER

Barry Hollinger is doing better. Recently some rich new ore was encountered which will add materially to ore reserves.

DELIMIT HUGE SULPHIDE BODY AT RED LAKE BY ELECTRICAL PROSPECTING

(Continued from page 25)

readily understood. The information is supplied by a series of profiles drawn on a map to an accurate scale. The average business man studying for example stock market fluctuations is well acquainted with the use and value of such profiles. For example, the high sharp peak in a profile is of comparatively little significance as applied to a market fluctuation, inasmuch as it records merely a temporary high peak. On the other hand, a profile showing a high peak reached and maintained for a reasonable length of time is of distinct significance and valuation as indicating that the market was held at the high peak long enough to establish a fair value. Similarly with the profiles of the electrical readings of ore body location. A sharp peak rising quickly and declining quicky is understood to indicate a narrow vein and of doubtful commercial value, while a high peak maintained for ten to several hundred feet along the surface obviously indicates that the area below this peak contains mineral deposits of appreciable extent.

Tells Where to Drill

Readings made over areas where rocks are exposed are not only more accurate but the profile is more distinct, that is to say, the wave-like variations will show sharper rises and falls. This is naturally an advantage, inasmuch as it more accurately indicates the stops where diamond drilling or surface development might prove up ore bodies. These sharp fluctuations will not be the case where the readings are made on an area that is heavily covered with overburden. Under these conditions the profile may rise to equal heights measured in millovolts, but the rise will be more gradual in a slow wavelike formation which, however, is considered equally significant as indicating the existence of ore bodies. In the latter case, however, the expense of locating such ore bodies is liable to be greater as the area of greatest concentration of values is not so definitely located.

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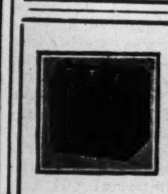

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DUPRAT PEOPLE QUITE OPTIMISTIC AS TO DEVELOPMENT

Big Things Expected from Electrical Survey Just Been Launched

It is officially announced that the Swedish Electrical Survey on Duprat property commenced on Monday last. The Swedish company has been doing some work on the Amulet properties where they are reported to have met with excellent results. From results so far obtained from stripping and test pitting over an area of more than 500 ft. in length by more than 150 feet in width, high copper assays were received running better than 20 per cent. Some of these test pits are down to a depth of 20 feet and at this depth the ore is more massive than it was on the surface, consequently with these indications mining men generally concede that it is only necessary to go, to depth to prove big ore bodies. The company is well financed.

Sect. J. A. Robertson of Duprat Mines, has issued the following statement:

"With regard to the announcement of the Swedish electrical survey on the Duprat property, in mining circles this is taken as being the beginning of many very important announcements from Duprat Mines.

"The work of the Swedish electrical survey has been demonstrated on more than one occasion in the Rouyn area of northwestern Quebec, and the management looks for very big things as a result of this electrical survey.

"Duprat property is developed to a point where it is now entering the most important stage of its career, and from all the information to hand, it is felt that the time is not far off when the Duprat Mines will take its place with the leading properties of northwestern Quebec.

"It may be well at this time to review some of the important points in connection with Duprat which may have been overlooked by some of the shareholders.

"Duprat Mines occupies a position in the Rouyn area of northwestern Quebec that cannot be excelled by any property in the camp.

"Development work has disclosed ore which, when assayed by the Dominion government laboratory, ran 20.75 per cent. copper, with 1.87 ounces of silver to the ton.

"Duprat has the same identical geological conditions as the other properties in the district, where copper ore bodies have been developed, and Mr. Joseph Houston, E. M., in his last 'Progress Report,' stated that:

"'Further work on the north group also bears out my opinion expressed on that section, and work now in hand I think will shortly show that the ore body on the Waite-Montgomery is genetically connected with the big diabase dyke that cuts across the northern part of the north group.'

"In addition to the Swedish electrical survey, arrangements are now being completed for diamond drilling campaign to immediately follow this electrical survey, and the contract will be given out so that no time will be lost between the date of the completion of the survey and the commencement of the diamond drilling campaign.

"It is with a sense of the greatest satisfaction that the management of Duprat Mines stated that the treasury is amply financed for the Swedish Electrical, diamond drilling, and further extensive development work."

B. A. Nickel Smelter And Refinery in Deal

A Hull report says British-American Nickel refinery plant at Deschenes, Que., near Aylmer, which has lain idle since war time is shortly to be operated again, probably in connection with the big power developments of the Gatineau Power Company, and also in connection with the refining of ore from the Rouyn district.

This news is conveyed in the announcement by W. A. McCallum, of Montreal, president of the firm of McCallum, Smith and Co., Ltd., of that city, that his firm has purchased outright the big plant.

The McCallum, Smith Co., which operates the Economy Railway Appliance Co. of Montreal, has also purchased the smelter and mine plant of the defunct B.N.A. Co. at Nickelton, Ont., and steps will be taken shortly to put the machinery at the two plants into operation as speedily as possible.

Montreal Gazette says W. A. McCallum confirmed the above-mentioned purchase but had no statement to make regarding future plans or other details of the transaction. Negotiations for the purchase are understood to have been going on for some time.

Since the British American Nickel Company went into liquidation the future of the plants has remained in considerable doubt. At times reports have been heard of developments pending with both British and American interests being mentioned as possible purchasers.

TRAIL ORE RECEIPTS

Ore receipts at Trail smelter from 1st December to 7th December, 1926, inclusive, and from 1st January, 1926, to date, in tons:

Company's mines	7,440	381,780
Other mines	4.708	158,284
	12,148	540,064

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BELIEVE DEEPER DRILLING WILL BRING LARGE OIL PRODUCTION IN ALTA.

(Continued from page 25)

and almost every drilling crew in the oil field used the crude oil for fuel purposes. During the past summer practically the entire output of Edmonton-Wainwright well No. 1 was disposed of locally.

A sample of oil from British Petroleums well No. 2, one of the first producing wells completed at Wainwright, was sent to the Kansas City Testing Laboratory and was treated by the Cross cracking process. The analysis signed by Roy Cross follows:

Gravity, 12.9 degrees Beaume.

Summary of natural yields: Kerosene, distillate and gas oil 88 per cent.; coke 50 pounds per barrel.

Yield on cracking and coking: Gasoline, 61 per cent. by volume; coke, 75 pounds per barrel; gas per barrel of crude, 405 cubic feet.

This means that two barrels of Wainwright crude will provide one barrel of gasoline and sufficient fuel to cover the operation of cracking. The oil from British Petroleums No. 2 is of only 12.9 degrees Beaume gravity and at least four other wells in the same field are producing oil of a higher gravity as follows:

British Petroleums No. 3B, 21.6 degrees Beaume.

Edmonton-Wainwright No. 1, 17.6 degrees Beaume.

Western Consolidated No. 2, 18.5 degrees Beaume.

British Petroleums No. 4, 16.7 degrees Beaume.

Commercial Possibilities

The commercial possibilities of Wainwright crude oil other than the manufacture of gasoline and oils was shown to good advantage at the Edmonton annual exhibition of 1924 when a display of 42 different kinds of lubricants and greases, made excusively from crude oils from the Wainwright field was exhibited. These lubricants were manufactured locally and sold on the local market.

In the face of the above facts, all of which can be supported, there is no room for the question, "Is there oil in Alberta?" The only possible question that can be asked is, "How much oil is there in Alberta?" This question can be answered only when more development has taken place and the full extent of the oil resources is known. No deep test of the field has yet been completed and even the extent of the known oil-producing formations is largely a matter of conjecture at present

Further Drilling Needed

Practically all drilling operations to date have been of an experimental nature but the highy encouraging results obtained so far have convinced the expert and the layman alike that further drilling will result in more oil. In other words, the advisability of continuing to develop the oil resources of Alberta has been established beyond the shadow of a doubt. Increased drilling activity has been urged by every geologist who has ever published an opinion on the Wainwright field and more than one expert has predicted that Central Alberta will one day be the equal of any oil-producing area on the American continent.

There is but one exception to this otherwise unanimous opinion and the exception is Imperial Oil Limited, whose views on the subject were recently given by President C. O. Stillman.

Abandoned Leases

Mr. Stillman contended that: "Oil in marketable quantities of good commercial value still eludes the searchers in every major effort so far put forth," and as a result of this alleged failure to find oil, the company has abandoned 75 per cent. of its leases in Alberta and is not even sure that it will retain control of its present gas wells. The whole tone offers that Imperial Oil is so discouraged with the results it has obtained by development work in Alberta that it is seriously thinking of throwing up the whole business and has in fact already discarded the greater proportion of its leases.

This is a remarkable attitude to be taken by a company which has turned its development work into a highly profitable investment. To-day, Imperial Oil in Alberta controls one well which cannot be shut down because of its stupendous production and has been estimated to yield more than $1,000,000 worth of gasoline and natural gas each year; also several smaller producing wells which are now capped and about which very little is known except by company officials and drillers. These other wells are distributed from Fort Norman, near the Arctic circle all the way to the Bow Island field and the international border.

After Geological Data

From the locations of the wells drilled, it is obvious that the Imperial Oil company spent its money with an eye to securing geological information and locating good oil formations rather than the immediate production of marketable oil. This theory is supported by the fact that none of its wells are allowed to produce steadily at the present time except the Royalite gas wells and even those might have been capped if Royalite No. 4 could have been shut down.

In regard to the statement that the Imperial Oil company has dropped 75 per cent. of its leases, the fact must be realised that those leases may be still open and that if they are ever put up for auction, (as they must be under the present regulations if wanted by anyone,) Imperial Oil would have equal right with anyone else to bid for them again.

Could Try Again

The Imperial Oil company is therefore now in the position that it does not have to pay annual rental on the dropped leases but can still keep an eye on the choice holdings and if the company wishes to develop any of them at any time it could regain such holdings at public auction.

Imperial Oil Limited is also said to have finally acepted the suggestion contained in a geological map drawn up for the government of the United States, "years ago," which showed good prospective territory reaching up to the United States border and stopping just before it entered Canada.

That the major oil structure found in Wyoming and Montana actually does extend into Aberta is now an admitted fact supported by practical geological findings which even the Imperial Oil company does not ignore for it has drilled producing wells in the formations referred to.

Leases Taken Up

An incident connected with Imperial Oil activities in Alberta which had been reported by, "an Edmonton doctor," has been referred to and passed by as a "wild statement."

For the benefit of those persons who do not know the story it is here repeated and can be verified if necessary.

Folowing completion of the Imperial Fabyan well in July, 1922, such poor reports regarding the well were issued by the company that several holders of leases adjacent to the well became discouraged, dropped their leases and abandoned the idea of drilling. These leases were put up for auction at the dominion lands office at Edmonton. The sale was held on November 20th, 1922, and 3,960 acres of the dropped leases were bought by men in the employ of the Northwest Oil Company, a subsidiary of the Imperial Oil Company and were subsequently assigned to the Northwest Company by the purchasers.

Fabyan's Mystery Well

When an Edmonton oil operator asked the authorities at Ottawa for a report on the oil struck by the Imperial-Fabyan well, he was informed that the production of the well was a black maltha but that it was in such small quantities as to be of no commercial value.

It a remarkable fact that the information as to the striking of oil in this well obtained from the government does not agree with the first official log of the company.

The dominion government has announced that in the Imperial-Fabyan well, "heavy black oil," was found at the following depths:

1892 feet, 1934-1947 feet, 1962-1964 feet, 2086 feet and 2198-2205 feet. Also at 1870 feet a gas flow of approximately 10,000,000 cubic feet per 24 hours was obtained; the pressure of which on a rough test indicated 750 pounds, but the log filed by the company with the government gives entirely different information regarding the findings at the above-mentioned depths as shown below:

1892 feet: Shale, light grey, soft, resembling talc, slightly calcareous.

1934-1947 feet: Sand, greyish-brown, fine grain, calcareous.

1962-1964 feet: Shale, dark blue, very hard with admixture of fine brown sand.

2086 feet: Dark grey limestone, probably magnesia, only slight effervescence in dilute H. Cl., considerable pyrite.

2198-2205 feet: Limestone, grey-brown.

1870 feet: Shale, dark grey to blue, soft, calcareous.

No Mention of Oil

There is no mention whatever at the above depths of any trace of the heavy black oil which was obtained, nor of the immense gas flow of 10,000,000 feet a day. Neither of these could have been overlooked by the drillers and it would therefore appear as if the Imperial Oil Company wished to hide in so far as possible, the truth about their well.

Several sections of the log give no information whatever and are as follows:

560-580	Missing.
1000-1050	Missing.
1100-1120	Missing.
1880-1884	Missing.
1907-1930	Lost in rig.

Analysis of the oil from this well was later given out as follows:

Gravity, 12.8; specific gravity, .981; flash, 235; colour, black; odour, sour; tar and solid, 40-35; S.D. 2.152.

It will be noted that this oil is of practically the same gravity as the product of British Petroleums well No. 2, which has yielded 61 per cent. gasoline on cracking by the Cross process.

The Imperial-Fabyan is now known throughout Western Canada as the "mystery" well on account of the conflicting reports which have been issued regarding it.

Official statements contain the information that it is a "'gasser," yet on one or two occasions when it has been allowed to "blow," heavy oil plastered the derrick and the ground for more than a hundred yards around. This happens in spite of the company's statement that the oil is, "not in commercial quantities."

A correspondent of the Edmonton Journal visited the well shortly after it was brought in and reported as follows:

"The tall derrick was spattered almost to the top with thick black oil. The room and walls of the engine-house nearby were likewise spotted heavily with the same deposit. Lying on the grass several suits of waterproof oilskins, an inch thick with the same substance gave ample evidence of what the first burst of gas, oil, water and mud must have been like. Splashes of the same semi-liquid were in evidence everywhere."

"A small pocket on the side of the hill outside the well acreage contained a considerable quantity of the liquid. This was seen to be apparently a mixture of oil, sand and gravel, but unmistakable it was oil. There was a decided smell of gasoline from the mass."

Others Satisfied

Information being disseminated would leave the impression that Imperial Oil is dissatisfied with the progress it has made in oil development work in Alberta, and this in spite of the fact that Imperial Oil has had more real success than any other oil company in the province.

Other companies have stated that they are satisfied with their efforts and are content to develop slowly, firm in the faith that the presence of commercial oil in Alberta has been proven and that large production will result from more and deeper drilling.

No other drilling company has expressed its dissatisfaction in such terms as are contained in the alleged remarks of Mr. Stillman so it must be assumed that Imperial Oil is the only active concern which thinks Alberta oil resources are not worthy of development— in spite of the fact that Mr. Stillman has pointed out that: "the definite assurance of the presence of petroleum will undoubtedly encourage the drilling of further wells."

However, whether the Imperial company continues its development work or not, there is no possible doubt in regard to the finding of commercial oil in Alberta and it is a foregone conclusion, supported by the extent of present drilling activities and future plans of a great many oil companies that development work will be carried on and more oil will be found whether the Imperial Oil company believes it is worth while or not.

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DUPRAT MINES
The following telegram has just been received from Dr. H. Lundberg, Field Manager of the Swedish Electrical Corporation:
Rouyn, Que.,
Dec. 10th, 1926
PLANT AND HAMPSON,
Union Bank Building,
Ottawa, Ont.
Will start electrical survey on Duprat Property Dec. 15th.
Hans Lundberg.
We believe that the announcement of the commencement of this survey is just the beginning of many very important announcements from DUPRAT MINES. Assays made previously of ore taken from DUPRAT MINES ran better than 20 per cent. copper and the Swedish machine is being used to locate ore bodies at depth for the purpose of diamond drilling.
DUPRAT shares are surrounded by pulse-stirring, profit-making possibilities
We strongly recommend the purchase of DUPRAT shares at the market.
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Suite 603 Blackburn Bldg. *Ottawa, Ont.*

Mining Inquiries

Hecla Copper Mines

I have a small interest in the Hecla Copper Mines in Rouyn. I should be glad if you could give me some information about this company.

The Hecla Copper Mines is backed by responsible business men, and while it is still very much of a prospect to-day, we believe that you will obtain a good run for your money.

The properties, consisting of some 500 acres, are situated about a quarter of a mile North East of the Noranda properties in Rouyn. About $5,000 has been spent on development work during the past summer.

The company has only elected provisional directors, and shortly a shareholders' meeting will be held to elect the officers and directors. The capital consists of 490 shares of $100 par value, totalling in all, $49,000. Of this capitalization, $15,000 has been issued.

The title to the properties is held in escrow, and first payment of $1,000 must be made in May, 1927. The balance of the purchase price will be paid in December, 1927—provided that during the coming summer, the company obtains satisfactory results from its work on the property. If it shapes up satisfactorily, further capital stock will be issued next December, to make the final payment.

You must understand, of course, that such a purchase is an out and out gamble, but this speculation seems to be conducted on sound lines. We believe the men behind the enterprise are endeavoring to mine the property, and not the public.

LaRose

What are the future prospects of La Rose? Will the company be able to get anywhere?

La Rose settled its dispute with O'Brien mines and this left the treasury depleted. Its Cobalt properties are not too attractive looking. Violet is showing some good ore; University has been under lease; the parent property is about done. The company has some property in Quebec but no money to spend in development. Production from Cobalt does not seem sufficiently large to provide these funds and pay off $30,000 liabilities, hence the reorganization. Present capitalization $1,500,000, new company to have 3,000,000 shares, no par value and old shareholders get 750,000 of these or one new for two old, and they also had option on new treasury shares at 15c.

La Rose has had many ups and downs and at the moment seems down. It may work out all right, but we hesitate in view of the numerous attractive propositions that are on the market to suggest to anyone that they put new money into it. There is one point, however, funds are needed to develop the resources of the country and if the La Rose people will apply new funds to this purpose they have the experience and organization to get good value for the money so expended.

Indian Mines

We have had several inquiries lately re Indian mine shares. We give below the view of Western Canada Mining news which may give holders of shares a new slant on the venture.

"This property is considered of considerable value if sufficient capital can be interested in it. A deal with the Premier Gold Mining Company, which appeared to be near completion some time ago, fell through. This company seems to be the logical place to look for assistance, and it may be possible at a later date an arrangement will be made to handle their ore. In the meantime nothing is known of any other negotiations which may be proceeding. Stock is selling at a very low price, around 5c. to 5½c., and might prove a good speculative buy."

Many Mining Issues

I am thinking of buying shares in Arntfield Syndicate. What is the outlook?

The Financial Post does not make it a policy to give information on United States Stocks. They are out of our field and it is very difficult to get first hand information.

In regard to the mining companies which you ask about, Barry Hollinger, Tough Oakes and Argonaut are still speculative and non-dividend payers. Dome, Keeley, Mining Corporation, Premier are all on a dividend basis, also Teck Hughes, while Noranda is not yet producing and may not be for another year. However, the company has tremendous proven reserves of ore and over a period of years is bound to be a profitable venture.

Teck-Hughes

I would appreciate your opinion of Teck-Hughes, McIntyre, Barry, Hollinger and Keeley.

Teck Hughes shares are selling high for the present but if purchased for a hold show a material market appreciation. The stock went on a dividend basis during the past year, paying 10 per cent. In 1927 it should be placed on a 20 per cent. basis. The company has one mill in operation and is building a second. It has tremendous large bodies of high grade ore opened up to about 1600-ft.

Noranda

In your opinion, is Noranda too high at $19.50?

Noranda looks like one of the cheap stocks on the market. In the past, the big profits have been made after the mines reached the producing or dividend basis. This is true of Hollinger, McIntyre, Lake Shore, Wright Hargreaves and Teck Hughes. In other words the real market appreciation took place after the mine started earning. This should apply to Noranda.

Tough Oakes

Is Tough Oakes now in profitable mine class?

Tough Oakes is still much of a speculation. They have met with a better measure of success of late and we cannot help feel that ultimately they are going to work out into a profitable venture. The main point in this connection is a financial one, involving ability to keep sufficient finances ahead to continue operations. At the present time the mill operations are showing a slight profit over and above all costs including new exploration.

Towagamac

Do you think well of Towagamac or is it selling too high?

Towagamac looks to be a very attractive speculation. There is talk of it going to $12. The company is in good hands and has good asociates, Noah Timmins Inc., and is meeting with excellent success in development. You will see a complete outline of the company's holdings in Survey of Mines.

Rose Deer Coal

Would you give me information about Rose Deer Coal, Wayne. I understand they recently declared a dividend.

Rose-Deer Coal Mining Company, Limited, Wayne, Alberta is a nice clean, well-handled mine in the Drumheller section of Alberta and is controlled by Tupper Brothers who are making a success of its management. It is well equipped and the company is in good financial position considering the trying times of trying to find a growing market.

Check Laval Geology With Swedish Survey

Vice-Pres. J. A. Haud informs The Financial Post that the Swedish electrical survey will start on Laval's group near Noranda mines right after the first of the year. This is to follow up an intensive geological mapping carried out by John Reid, M.E. Surface work has revealed a long break and a most interesting situation but the company has decided to take the extra precaution of the Swedish survey before launching out with its diamond drill campaign. Some interesting information was secured by sending a number of typical ore samples to the university for microscopic examination, and they revealed the ore to be very similar to the large deposits already proven in the area.

MARKET UPSWING HAS TAKEN PLACE IN MINE SHARES

(Continued from page 25)

weaker. There is some gossip about higher prices for Mining Corp. Many took heart when the company announced its 12½ cent. dividend.

The figures:

	Dec. 1		Dec. 14 Close		Change
	H	L	H	L	
Amulet	1.36	1.30	1.55	1.51	+19
Argonaut	57½	56	59½	55	..
Area	25	..	47½	..	+22½
Baldwin	3¾	3½	3¾	..	..
Barry H.	87	86½	87	86¾	..
Beaver	62	59	55	54	— 7
Buck'am	4⅛	..	4¼	4⅛	..
Can. Lor.	64¾	63	60½	60	— 4¼
Capitol	34	27	26½	26¼	— 7½
Castle	1.14	1.10	1.12	1.11	— 2
Coniagas	4.50	..	4.49	4.25	..
Con'um	3.70	3.60	4.50	4.25	+80
Cons. Sm.	2.59	2.51	2.51	2.49	— 8
C. W. Dome	22	21	22	21½	..
Dome	12.50	12.10	11.80	11.65	—70
Duprat	25	24	27½	27	+ 2½
Goldale	30	29	29	28½	— 1
Gold Hill	47	44	50	49	+ 3
Hollinger	18.90	..	19.00	18.90	+10
Hill Top	20	..	24	..	+ 4
Keeley	1.54	1.51	1.52	1.51	— 2
Keora	14	..	15	12¼	+ 1
Kirkland G.	81	80	75	73	— 6
Lakeside	5⅛	4¾	4	3¾	— 1⅛
Lakeshore	14.50	14.15	14.60	14.55	+10
L. T. Lake	55	50	30	..	—25
McKinley	11	..	12½	12	+ 1½
Macassa	33¾	33½	33½	32	..
McIntyre	24.70	24.50	24.95	24.75	+25
Mining Cp.	2.80	2.77	2.82	2.80	+ 2
Mont. Rouyn	20	..	26	24	+ 6
Nipissing	6.50	6.10	6.99	6.95	+49
Millcrest	4	..	6	4½	+ 2
N. Hawk	7	5	4½	..	— 2½
Noranda	20.60	20.25	23.00	..	+ 2.40
Premier	1.96	..	1.98	1.97	+ 2
S. Keora	25	24	30	29	+ 5
T. Hughes	4.92	4.82	4.86	4.85	— 6
Pete Cobalt	22	21	17½	17	— 4½
T. O. B.	60	59	54	53½	— 6
Vickers	1.10	1.09	1.12	1.11	+ 2
Vipond	1.59	1.57	1.69	1.68	+10
W. Harg's	9.25	9.00	9.50	9.35	+25
Bourlam	1.35	1.34	1.37	1.36	+ 2
Laval	27	26½	31	30	+ 4
Rouyn	3⅜	2½	3½	3	..
Towagamac	4.85	4.75	5.00	..	+15
Jay Copper	83	81	86	85	+ 3
Don R.	37	..	39	..	+ 2
Stadacona	44¼	44	45½	44¼	— 1¼
Pioneer	1.12	1.10	1.09	1.08	— 3
Corona	22	21¼	22½	22	..
Marclay	31	30	32	34	+ 1

Higher Intelligence of Hollinger Miners Over Rand Emphasized

Rather an interesting article in a recent issue of Engineer and Mining Journal by Arthur Notman on the question of prosperity and how to attain it, deals with production per man at Hollinger Mine as compared with the Rand, South Africa. He says:

	Rand	Hollinger
Tons ore per man shift....	0.406	1.993
Average earnings per shift.	$0.92	$4.81
Cost of labor per ton	$2.22	$2.40
Yield per ton	$6.52	$8.18
Yield per man-shoft	$2.64	$16.30

Note—Sterling exchange taken at par.

He says the mere possession of natural resources will not result in wealth.

If it did, Africa might long ago become the richest continent in the world. Far more important than these is the wise conduct of human affairs, which enables the intelligent men of initiative in the country so to utilize those resources as to multiply the effectiveness of the labor of all, thereby greatly increasing the product available for division among them.

The blacks of Africa may be dimly aware of their natural advantages, but they are without the initiative to seek a remedy for their poverty, and even under the intelligent guidance of Anglo-Saxons, it may take generations to enlighten them, if that is ever possible.

Then comes this illustration:

The free flow of men and ideas between the Anglo-Saxon countries, and more especially across our northern borders, has doubtless been mutually beneficial and stimulating. Perhaps this accounts, in part at least, for the relative ascendancy of North America in the per capita consumption of power and the present phenomenal development of additional power resources on this continent.

The earnings in both cases include all wages, salaries and bonuses paid out and are based on the assumption that the average number of employees given in the figures worked 365 days. In the case of the Rand only 10.5 per cent. of the total force were whites who earned an average of $4.87 per shift, while of the balance 88.8 per cent. were natives and 0.9 per cent. Asiatics and others. These, together with the natives, averaged 46.6 cents per shift. In other words, the supervisory force actually received a larger sum total than the workers, although they were outnumbered nine to one by the latter. I have not the figures at hand to make direct comparison with the Hollinger in this regard, but as nearly as I can judge, the "workers" in Canada received about 82 per cent. of the total paid out for wages and salaries or four and one-half times the amount received by the supervisory, advisory and accounting staffs. The net results in labor cost per ton milled are very close, but the value produced per man-shift in the case of the Hollinger, even if we assume the yield per ton to have been no higher than that of the Rand ores, would have been $13 against $2.64 for the Rand, almost five times as great.

It is idle to suppose that these differences are due to any inferiority in the methods or equipment used. The Rand has long been considered a model for the gold mining industry in these respects. They are in part due to inherent differences in the physical problems encountered, although I am unable to hazard an opinion as to which holds the advantage in this regard. In the main, however, the differences are due to the superior intelligence and organization of the respective forces as a whole and that of the communities on which their operations are based.

FUNNY MOVES ARE MADE TO SWITCH LAKESIDE SHARES

Boston People Are Sending Shareholders Offers—President Repudiates Them

Evidently there is some funny work going on in Lakeside Lorrain shares. Two Boston houses are getting in touch with shareholders. One wanting to trade, taking Lakeside on partial payment and the other says that some big Bostonian wants to get a substantial holding of Lakeside and will exchange his stock "which never sold below $5." The exchange, they quite glibly state, is to have brokerage charges and they figure they would rather pass on to Lakeside shareholders the profit that would ordinarily go to some sales organization. Hence this proposal.

The first is a card. It reads:—

Dear Sir:

Under separate cover we sent you a circular on Gleasonite Products stock which is listed on the New York Curb, and which company has paid 10% dividends annually for years.

For your Lakeside Lorraine Silver Mines Limited stock we will allow you twenty cents per share in partial payment on Gleasonite Products. Please advise if you will consider this offer, and how many shares you have of Lakeside. We would also like to know what is the best price you will accept for cash. Please advise.

Kinsman, Crane & Co., Inc., Bankers,
92 State Street, Boston, Mass.

The second—a stereotyped letter—reads:—

To the Stockholders of
Lakeside Lorraine Silver Mines Limited.

Dear Sirs:—

We have been approached by an officer of a Boston corporation who wishes to acquire a substantial stock holding in your enterprise. They are willing to exchange their stock (which has never sold under $5.00 per share) for your stock on a basis which allows you 12c per share. Here is an excellent opportunity to obtain a large book profit on your present investment compared with current prices.

Ordinarily, to purchase your stock, this American corporation would have to sell its securities for cash in the local money markets and pay some house or syndicate up to 25% for such services. With the cash thus obtained, they would have to enter your market and bid in the stock which would result in a rising market at a time when they wished to get it as cheaply as possible. Upon considerable thought, they feel that they can save time and trouble by making the exchange offering mentioned above, thus passing on to you the profits which would ordinarily go to some sales organization, and the market profits which a moderate buying campaign would probably bring about.

Those wishing to take advantage of this suggestion should communicate with us by return mail for further particulars, giving the exact number of shares which they own.

Yours very truly,
AMES NOWELL, INC.,
Investments, P.O. Box 3003, Boston.

C. R. Blackburn, Lakeside president, in a letter to shareholders, sees a move to cause a panic among shareholders and he advises them not to sell but hold. He says:

"It has been called to our attention by several shareholders of this stock that they have received letters, phone calls, etc., advising them to dispose of their holdings; in fact, every conceivable scheme has been carried out to cause a panic in this stock.

"You are warned that two or three small concerns have obtained Lakeside Lorrain mailing lists and are giving particular attention to this list in the endeavor to trade you out of this stock. The recent break in this stock may have been one of these causes.

"Furthermore, you have not only been advised to sell your Lakeside, but such well-known stocks as **Teck-Hughes,** Dome Mines, Noranda, Nipissing, etc. You are urged not to do so unless you first consult such well-known brokerage houses as Arthur E. Moysey & Co., Stobie, Forlong & Co., Homer L. Gibson & Co., etc.

"These methods **are destructive to** the mining industry. Little mines cannot be built into big mines unless they have the support of the public, and no mine can be developed on a 5-cent market. Some mines are fortunate to put out their treasury stock at around 25 or 50 cents. Lakeside Lorrain is in the unfortunate position of having to build up their market in order to issue treasury stock, at a figure where it will be able to complete its present plan of operations.

"It cannot be made a big mine unless you stand by your guns. If you are interested in the development of the mining industry; if you are red-blooded Canadians and are interested in the development of your mines, do not sell your stock on the present market.

"All we ask you to do is to hold your Lakeside. This also applies to any other stocks. How can reliable brokers who are constructive advise you if you listen to destructive brokers. We would ask you to give us the names of these destructive brokers, giving their conversations, so that we may publish same.

"The Lakeside Lorrain market cannot be broken if you hold. Study the situation carefully. Lakeside is well situated, has a fine mining plant, is working its property, has made a recent fine discovery. Many stocks are selling many times higher that are not so well situated. Think it over."

It is difficult to size up the situation. One Boston offer is a 20c allowance, the other 12c. Lakeside is capitalized at $3,500,000. It is generally believed that large blocks were sold to brokers at a very low rate hence the large amount available on the market around 3 and 4 c.

Marclay is Seeking Additional Claims

In a report received from Marclay's mine superintendent, it is stated most encouraging results are being obtained from the trenching and test pit work now being carried on on the company's east group of claims in Boischatel Township. A number of assays from ore taken over a considerable width show an average of 13.72 per cent. copper, with a small amount of gold. The management expects to develop an ore body of considerable dimensions just south of the diabase where work is now being carried on. A substantial amount of supplies have been taken into the camp, and it is planned to add additional men at an early date. Negotiations are now under way whereby Marclay may acquire an additional block of claims in Boischatel Township, which have interesting surface showings.

Waste From Asbestos Valuable as Fertilizer

It is announced that a new use has been found for the great quantity of waste material produced at the asbestos mines in the Thetford district, in Quebec. Experiments have proved that this has value for agricultural purposes, supplying some constituents lacking in much of the soil in eastern Canada. Tests conducted at the MacDonald College by the Milton Hersey Co., of Montreal, show that a distinct effect is produced on certain types of soil by the application of this stone. MacDonald College has undertaken to make further investigations, and the question is also being studied by the authorities of the Dominion experimental farm and by the Provincial Department of Agriculture at Quebec. P. C. Armstrong, who discovered the value of this material as a fertilizer, has been retained by the Asbestos Corporation of Canada to continue his researches.

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Alberta Oil Number—275 Copies

In order that The Post might obtain first-hand knowledge of the Alberta oil fields, Dan C. Cushing, our mining editor, himself, made a thorough survey of prevailing conditions. This issue gives the complete details of the work which has been accomplished; the work which is now going on; what it is hoped to accomplish and the justification for the expenditure of funds in this effort.

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CASHMERE YARNS FLOOD CANADIAN IMPORT MARKETS

Drawback of 99% in Cashmere Yarns Keeps Mills in Hole

There is one drawback item in the Canadian tariff ratings, which is still a thorn in the flesh to Canadian yarn makers. This is the drawback of 99 per cent. which applies to finer grades of cashmere yarn, imported into Canada to be used in the manufacture of hosiery. While coarser yarns, for weaving and underwear, are allowed protection under the present act, the makers of hosiery yarn are forced to sell their product in open competition with the old-established foreign producers. Cashmere yarns are used extensively by the Canadian manufacturers, and besides the drawback on hosiery yarns, the tax on sales, equipment and raw materials, has made progress unnecessarily slow in this promising Canadian industry.

Manufacturing at Loss

At the present time the manufacture of hosiery yarns is practically impossible unless it be done at operating loss. The foreign manufacturer has no duty to pay on his repairs, supplies, etc., and no sales tax to pay. Canadian manufacturers have to meet these items and then compete with a product coming in duty free and free of sales tax. If the drawback item was cancelled, the manufacturers of yarn would be put on the same basis as other yarn spinners such as Bradford system worsted, silk and cotton, and other cashmere yarns, and a suggestion along these lines has already been made to the government by the manufacturers.

Another of the difficulties under which the yarn makers are laboring is with regard to the heavy duties which must be paid on their machinery. In many cases these duties run as high as 35 per cent. and when the amount of the sales tax is added to this, the burden mounts up considerably.

Figures have been compiled showing that on supplies actually imported by a Canadian manufacturer of cashmere yarns totalling $15,376, duty was paid amounting to $941, and sales tax amounting to $942, a total of $1,884. The list includes: Paper tubes, mule banding, felt green plush, leather aprons, parchment paper, dry paste, ring travellers, gill and comb pins, spare machine parts, worsted cream emulsion, machine oil, spindle oil, lubricating grease, machinery repairs and miscellaneaus supplies. All these items entering the manufacture of worsted yarn. They are an indication of the many factors which the manufacturer must take into consideration and of which the public has so little conception.

The $1,884 referred to, it may be pointed out, would be the equivalent of one per cent. per pound on 188,400 pounds of yarn—and a fraction of a cent. per pound would lose an order for yarn to the manufacturer.

Expected Handicap's Removal

Manufacturers of cashmere yarn in Canada entered this industry in the face of the conditions which have been outlined, feeling sure that if they turned out a product with Canadian capital and employing Canadian labor the handicaps would be removed and cashmere yarns placed on the same basis as other yarns manufactured in Canada.

To-day, at least three Canadian firms are attempting to give Canada a cashmere yarn industry, and besides labouring under the general handicap of sales and equipment taxes the particular drawback on hosiery yarn makes the situation serious.

SHIP WOOL TO LIVERPOOL

The last steamer to clear from Montreal before the close of navigation for the present season carried a shipment of 70,000 pounds of graded wool from the Canadian Co-operative Wool Growers, to Liverpool. This was the largest shipment of wool from this country to England in 1926.

But Small Part Played by Tariff

The following figures indicate the component cost of a suit of farmer's or workingman's heavy suits sold at retail for $20. They indicate also that the protection afforded the woollen industry in Canada plays only a minor part in the cost to the consumer. Here are the figures:

Canadian wool	$4.10
Cloth mill, wages, overhead, soap, dyestuffs, oils, freight and profit	2.76
Buttons, trimming, etc.	1.25
Clothing mfgr. wages, overhead, profit	4.89
Government sales tax	.65
Retailer, wages, overhead, profit	6.35
	$20.00

The amount of greasy wool, that is, as it comes from the back of the sheep, to make the 3½ yards of cloth weighing 7¼ lbs., is 17½ lbs., for which the farmer received 24c. a lb. in the grease, or $4.10, so that the 7¼ lbs. of wool in the cloth cost the mill 56½c. per lb. without processing charges.

From these figures it will be seen that out of a total expenditure of $20, only $2.76 goes to the manufacturer to pay for freight, sorting, scouring, dyeing, carding, spinning, weaving, fulling, finishing, overhead and selling. In other words, the tariff on woollens is really only a matter of a few cents in the cost of the finished product. Raising the tariff, especially the British tariff, would possibly increase these costs by a few cents, but, on the other hand, it would not only help the many woollen mills scattered throughout Canada, but it would also prove of very material assistance in building up a more prosperous sheep industry, which since 1900 has been languishing.

Imperial Oil Owns Nine Deep-Sea Ships

In the register of almost every maritime nation the petroleum fleet has taken first place among cargo vessels for speed and class and for bulk and power as well. To this generalization, Canada is no exception. On the Canadian register the oil fleet stands near the top. Imperial Oil, Limited, together with its associated companies, is among the largest owners of deep-sea tonnage in Canada, and its fleets are engaged in a traffic which is focusing the attention of Canadian capital and brains upon the latent possibilities of South America, with a resultant expansion of Canada's trade and prestige to an extent scarcely realized in many quarters in this dominion.

Imperial Oil is operating nine ships in the deep-sea service and the International Petroleum one. Imperial Oil ships are the Mina Brea, Ontariolite, Reginolite, Trontolite, Talanite, Albertalite, Calgarolite, Canadolite and Montrolite, and the International ship is the Iocoma. The latter is engaged in carrying International products in the Peruvian trade to foreign parts and does not touch Canadian ports.

The nine Imperial Oil ships, ranging from 23,500 barrels to 110,000 barrels capacity are engaged in carrying crude oil from Peru and other lands to Imperial Oil refineries at Ioco, Halifax and Montreal, and fuel oil from California to the International Company's stations on the west coast of South America.

Cement Output Higher; Demand in 1927 Assured

From Our Own Correspondent.

MONTREAL.—The Canadian output of cement this year has shown large increases, which, were it not for the cement war in the province of Quebec, would be amply reflected in the earnings of the Canada Cement Company. As it is, there are no forecasts of the company's earnings for this year being made; it is anticipated, though, that they will prove satisfactory. While such large jobs as the Gatineau river developments, which utilize a large volume of cement, are well under way, the outlook for 1927 is satisfactory, for there are many other large projects, especially in Quebec, which, during the coming year, will consume a large volume of cement. One of these, of course, is the $100,000,000 plant of the Aluminum Company, on the Saguenay River, and its power development.

Faith in Canada's Resources

From the Lethbridge Herald.

With the signs of prosperity around us the note cannot but be struck that the great need of the country, to give this prosperity a real meaning in the economic life of the country, is faith in its resources. When we see Canadian money going out of the country to be invested in preference to investing it at home, it speaks of a lack of faith in our own country. This is not the way to build up the country. There are our great resources of oil, water-power, minerals, coal, and many other things which could be named, which need a national and an individual faith of what they mean in making Canada a rich and prosperous land. But the country is denuded of financial sinews for home development in money going out for investment abroad which could be well and profitably, and possibly more profitably, spent in Canada. We see in the investments made by other countries in Canada, by concerns established here by those who do not belong to us, a greater faith shown in Canada than we appear to have when it comes to making our investments here.

There are, it is true, enterprising home concerns who have faith in the development of the country and have no hesitation in showing it. But these are not in the number they should be nor are individuals who invest their money at home in preference to investments abroad in the very large proportion they should be. When it comes to home investments, a concern such as the Hudson's Bay Company sets the example with its home activities. We see the expression of its faith in Canada in the magnificent store at Winnipeg, additions in Vancouver and other points. In addition to this expansion of business, it has solidified its faith in Canada in building new ships for the Hudson's Bay trading purposes.

We give a lot of attention and agitation to what is known as equal status of the Dominion showing thereby a national pride. But surely pride in country should be exemplified in faith in country to make it what it should be, a rich and prosperous country. This its citizens can do by investing their money to develop it in the way it should go to make it, as we desire it should be, a country that can be accounted as great in the Empire not merely in name in anything that status may be regarded to establish but something more tangible in the solidity of its financial and economic standing. If we believe in what our country should be we should implement that belief in our faith in it in investing our money in it with the courage born of faith. We have no need to worry about status. We have need to worry that there are Canadians who have not sufficient faith in the country to invest their money in it. This should be our prime concern and each one should set the other an example in a practical exposition of faith in Canada.

RECOMMENDATIONS OF DUNCAN WILL AID CAPE BRETON

Wolvin Says at Dominion Coal Annual, Earnings Up This Year

From Our Own Correspondent.

MONTREAL.—A fairly optimistic tone marked the address of R. M. Wolvin at the annual meeting of the Dominion Coal Company. In addressing the shareholders, Mr. Wolvin, the president, said in part:

"We are producing coal now under an agreement with the United Mine Workers of America, which continues in force until the 1st of February, 1928. The relations with our employees are much improved, and we look forward to a still better understanding as time goes on.

"The general condition of your mines from the standpoint of maintenance is better at the present time than at any previous time in their history.

Mines Operate Again

"Since the termination of the World War, an intensive development programme has been in progress, and the somewhat debilitated condition of the properties on account of the company being unable, during the war, to properly maintain and extend development work, has been completely remedied. The output capacity of the mines has now been brought up practically to pre-war standard. This has been very largely accomplished by operating several of the mines two shifts daily, which was necessitated by the introduction of the eight-hour day in 1915 and the smaller number of collieries in operation, due partly to a policy of concentration. Much new equipment has been installed, and mining methods have been improved.

"Since the protracted strike in the year 1925, sections of your mines that were flooded when the maintenance men were withdrawn, have been recovered and are now in active operation.

Operations Are Improved

"The whole equipment of your collieries is in an excellent state of repair, and the electrification of the mines, where that is possible, is being rapidly extended. In the larger mines, man rakes have been installed, which reduce the distance that men have to walk to and from their work very considerably. The extensive work carried on in the enlargement of the air courses, in addition to making possible the introduction of the double shift, has enhanced the value of the company's leaseholds by increasing the accessibility of the undersea coal reserves.

"The year 1926 will closely approximate the company's best pre-war years in that the average daily output of the mines when working will be very much the same, but the total output will not be as great as in the best of these years, due to the fact that this year the mines will operate a total of about fifty days less than the possible maximum on account of there being no sufficient outlet for the coal last winter.

Coal Areas Exchanged

"Your company has recently effected an exchange of some of its submarine coal areas for equivalent areas of the Nova Scotia Steel & Coal Company, Ltd. This exchange is very much in the interest of your company, and also in the interest of the Nova Scotia Steel and Coal Company, and has consolidated the leaseholds of both companies, giving to each the coal reserves seawards along the whole frontage of their leases now occupied by operating or projected collieries. This exchange now assures your company's existing and prospective mines a very long life, extending in all probability beyond the present century.

"The Speech from the Throne at the opening of Parliament last week forecasts legislation providing for Government assistance to works constructed for the production of domestic coke from Canadian coal. This assistance and the actual construction of these coke ovens should ensure a permanent supply of domestic fuel in Canada made from coal produced in our own country by our own people, and it should materially assist your company in its greatest problem, which is to keep the working force employed and to find an outlet for coal during the winter months.

Effect of Recommendations

"The report of the Royal Commission on the claims of the Maritime Provinces is now before Parliament and the Speech from the Throne forecasts legislation dealing with it. The Royal Commission has recommended a reduction in the rail freight rates and a revival of the subvention on the rail rates on Nova Scotia coal brought up to St. Lawrence River ports by water and forwarded by rail to interior points. It also suggests immediate consideration by the Tariff Advisory Board of the present Customs tariff in its relation to coal, anthracite and coke. Should Parliament implement those recommendations, it would do much to bring about improved conditions in your industry.

"At present your mines are producing their maximum output, and the usual outlets, together with contracts made for sale of export coal, will enable us to continue a similar operation until the middle of February, and we hope that production from then until the opening of navigation on the St. Lawrence River will be considerably greater than during the same period last year.

"The balance sheet of your company at December 31st, 1926, will show a marked improvement upon that which you are asked to approve to-day. When the results of this year's operations are made up, it will be found that current and working assets have been materially increased, and bank loans reduced, so that the liquid position of your company has been much improved. It will also be found that the earnings will be sufficient to carry the profit and loss balance back to the credit side of the balance sheet and convert the deficit which we show to-day into a modest surplus."

DUNCAN SUGGESTIONS VINDICATE MARITIME'S OFT-REPEATED CLAIMS

(Continued from page 3)

the duty on manufactured fish on the American market.

Must Be Carried Out Soon

All through the report, it is significant that the Commissioners seem to generally recommend prompt action on these matters; which would indicate that the Commission were sympathetic to the situation which prevails in the three provinces and believed that the prompt putting into effect of their suggestions would have a very beneficial effect on the general attitude in, and the trade of the Maritimes.

While apparently the Maritime claims have the entire sympathy of the Commission, yet they did not take all the claims at their face value and indicated that the backward condition of agriculture there rested primarily on the industry itself, and on the provinces. No recommendations involving additional cost to the Dominion were made.

It made also no recommendation on the Maritimes claim for the continuance of grants under the Agricultural Instruction Act, 1912, and could not endorse Nova Scotia's claim for reimbursement of a portion of its expenditures on certain building as this would disturb the whole federal scheme of aid for technical education.

Fish Bounty Is Unchanged

However, with regard to Prince Edward Island, the Commission recommended that the grants for technical education should be made to cover agricultural education in that province.

The Commissioners felt that the Trade Commissioners should be given a much wider scope with a view to supporting business interests in foreign markets.

Nova Scotia has long felt that it might be advisable to change the present system of bounty awards to fishermen, but with this, the Royal Commission were not in agreement.

The commission recommended the immediate publication of a memorandum prepared by the bureau of statistics covering social and economic progress in the Maritimes since Confederation.

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THE ROAD OF TRAVEL LUXURY

Better Situation Surrounds Canadian Cotton Companies

(Continued from page 17)

view of producing individual products.

In the past there have been occasional complaints that the cost of cotton textiles in this country was too high; this may or may not be so, but even presuming it to be true, it is not due to excessive prices charged by the mill, for the proof of the pudding is the eating thereof, and if the spinners and weavers were making excessive profits, new plants would immediately spring up in the industry and present plants would be expanding. This is not occurring. The fact that there have not been new cotton piece goods plants started for many years past—other than in one or two specialized lines—indicates clearly that the cotton textile mills as a group are making anything but extravagant profits.

If prices to the consumer in Canada are high, some of the reasons lie in the sales tax, heavy income taxes, transportation charges and the general cost of distribution, both wholesale and retail, in sparsely inhabited countries, such as this. Merchandising costs must be very high, due first of all to the long rail hauls.

One of the remedies for these high costs lies in increased immigration, but in the meantime it seems fair to assume that prices are reasonable, especially as it is well known that neither wholesaler, retailer nor manufacturer is making excessive profits. In fact the reverse is known to be true.

Statements by politicians, or others, that the cotton textile industry is making excessive profits are utterly at variance with the figures seen in the companies' profits and loss statements. Earnings which these companies have been able to make have in a large measure been due to capable management and such earnings have, in a large measure, not gone to the shareholders, but have been ploughed back into the companies to maintain their equipment at the highest efficiency and to build a satisfactory financial position without which no company can operate at its highest pitch of efficiency.

Result of Past Policies

It is only because this has been done in past years that the companies to-day are able to turn out fairly satisfactory annual statements. Moreover, many of the mills have not been running full time for years—a condition which does not contribute to excessive earnings.

Since pre-war days too, there has been no increase in the protective duty afforded these companies; on the contrary, such changes as have occurred have been in a downward direction and have reacted most favorably on the actual production of textile goods from our own Canadian mills. During this period the companies have had to operate under reduced tariff and in addition have had to bear increased sales taxes, income taxes, excise and stamp duties.

Large Profits During War

It has been said that the cotton textile companies have made large profits in the past—this is so, but any unbiased observer will remember that in the great boom period before, and during the war, almost every individual and corporation in Canada made large profits. The only difference between the cotton textile companies and some of the other industrial companies in this respect is that the former had sufficient foresight to plough back earnings into their financial structure whilst business was good. Such forethought has carried them through the past seven years of depression in the textile industry only fairly satisfactorily.

A Canadian-Owned Industry

As far as the ownership of the cotton textile industry as a whole goes, it is almost in a class by itself as far as corporate ownership in this country is concerned, for of the total securities of the Canadian manufacturing industries outstanding, not more than 65 per cent. are held in this country, with 24 per cent. held in the United States and around 10 per cent. held in Great Britain.

On the other hand, the proportion of cotton textile securities held in Canada amounts to around 86 per cent. So that the industry is all-Canadian.

Prior to the great war, the Canadian industry was comparatively small and its production sufficient only to take care of a very small proportion of the domestic requirements of this country. With the war came a great increase in the demand for Canadian textiles and the managements of various mills bent all their energies towards expansion. United States mills were operating at capacity, turning out orders for their own government and the Canadian mills were doing likewise, supplying the domestic demand, selling to the government and selling to the United Kingdom.

The last ten or eleven years have seen tremendous strides made in the quality of the output manufactured in domestic mills. To-day domestically milled cotton goods can be sold side by side with products of American and British mills and in this matter Canadian mills have something of which they can be proud, for their competitors have records extending well over a hundred years in the successful manufacture of cotton textiles. The Canadian industry has nothing to fear from foreign competition on a quality basis.

Subscriptions having been received in excess of the amount of this offering, this advertisement appears as a matter of record only.

New Issue

$24,121,000

Province of Buenos Aires

Argentine Republic
7% External Sinking Fund Gold Bonds
Consolidation Loan of 1926

Dated December 1, 1926 Due June 1, 1957

A substantial amount of these bonds has been placed in Europe, including $2,000,000 of bonds which are being offered in Amsterdam by Pierson & Co., Nederlandsche Handel-Maatschappij, Mendelssohn & Co., Amsterdam, Proehl and Gutmann and Vermeer and Co.

HALLGARTEN & CO. and KISSEL, KINNICUTT & CO., Fiscal Agents

ADVISORY COMMISSION

By decree dated December 6, 1926, the Governor of the Province has created an Advisory Financial Commission consisting of Francisco Mendez Goncalvez (Vice-President of the Bank of the Province of Buenos Aires), Enrique Santamarina (Director of the Bank of the Argentine Nation), Sir Hilary H. Leng (of Leng, Roberts & Co., representative in Argentina of American and British bankers), Alfredo Hirsch (Managing Director of Bunge & Born, Ltd.), Dr. Pedro Solanet (Ex-Vice-Governor of the Province), and William F. Benkiser (Vice-President of The First National Bank of Boston, Resident in Buenos Aires).

Interest payable June 1 and December 1. Principal and interest payable at the office of Hallgarten & Co., or of Kissel, Kinnicutt & Co., Fiscal Agents, in New York City, in United States gold coin of the present standard of weight and fineness, or at the option of the holder, in London, at the office of Elangers, Sub-Fiscal Agents, in sterling at the exchange rate of $4.8665 to the Pound Sterling, without deduction for any Argentine national, provincial or other taxes present or future. Coupon bonds in denominations of $1,000 and $500, registerable as to principal only. Redeemable only through the sinking fund, either (a) by purchase on tender at less than par and accrued interest, or (b) by call, on any interest date at par on not less than fifteen days' notice.

A cumulative sinking fund of 1% per annum is provided for, to operate semi-annually, and calculated to be sufficient to retire all these bonds at or before maturity. The Province **covenants to apply, as extraordinary sinking fund, for these and any other external bonds of the Consolidation Loan of 1926 (limited in amount as indicated herein), 25% of any surplus of revenues at the end of each fiscal year; and reserves the right to increase any sinking fund payment.**

Central Union Trust Company
of New York, Registrar

Application will be made to list these bonds on the New York Stock Exchange

Price 94¾ and Interest, to Yield Over 7.40%

The following is summarized from a letter (transmitted by cable) of Dr. Francisco Ratto, Minister of Finance of the Province:

PROVINCE OF BUENOS AIRES: The Province of Buenos Aires is the premier province of the Argentine. It ranks first, not only in point of area, size and density of population, railroad mileage and wealth, but also by virtue of its industrial, agricultural and commercial development. The Province has an area of 117,700 square miles, which is larger than the combined areas of the New England States and the State of New York, and a population in excess of 2,600,000, or about one-fourth of the entire population of the Argentine. A separate Federal District (analogous to the District of Columbia, U.S.A.) and containing the City of Buenos Aires, capital of the Argentine Republic, adjoins the Province, its population of 2,000,000 providing a permanent and important market for food and other products. The Province is traversed by a network of railroads, the mileage exceeding 8,000, representing more than one-third of the total railroad mileage of the country.

AMOUNT AND PURPOSE OF ISSUE: The Act authorizing this issue provides that the proceeds thereof shall be applied to the liquidation of the floating and short term indebtedness of the Province. These bonds form part of an authorized issue (the Consolidation Loan of 1926) of 42,020,000 Argentine gold pesos (about $40,500,000) or the equivalent in foreign currencies at legal parity, of which amount 6,020,000 gold pesos (about $5,800,000) have been reserved by the Province for internal issue, the balance of $36,000,000 gold pesos (about $34,700,000) being authorized for issuance externally. The present issue, together with the internal issue above mentioned, will suffice to liquidate the entire floating and short term indebtedness of the Province maturing on or before December 31, 1926.

SECURITY: These external bonds are a direct obligation of the Province of Buenos Aires, which pledges its full faith and credit for the due and punctual payment of principal, interest and sinking fund. In addition these bonds and any other subsequently issued external bonds up to the total of 36,000,000 gold pesos (about $34,700,000) of the Consolidation Loan of 1926 are specifically secured by a first charge and lien on the real estate and inheritance taxes, subject only to the prior charges now existing; and the Province covenants that the maximum annual amount of such prior charges is not and shall not exceed 4,700,000 Argentine gold pesos ($4,535,000).

The Province declares that the real estate tax, the revenues from which will be greatly increased through revaluations effective January 1, 1927, is calculated to produce not less than the equivalent of 24,200,000 Argentine gold pesos ($23,300,000) in each fiscal year. **After deducting from this amount the said annual prior charges, there remains an amount equal to more than ten times the annual service charges on this issue, and more than six times those of the total authorized external issue of said Consolidation Loan. After deducting the said annual prior charges from the combined calculated annual revenue from the real estate and inheritance taxes, the remainder is equivalent to more than eleven times the annual service charges on this issue, and more than seven times the same charges on said total authorized external issue.** Should at any time the revenue from the real estate tax fall below the amount above specified, the Province covenants that at the request of the Fiscal Agents it will pledge receipts from other taxes in an amount equal to the deficiency until the revenue from the real estate tax shall again reach the above figure. The Province in addition covenants to establish the rates and bases of the real estate and inheritance taxes pledged as security for this issue in order to ensure as a minimum the revenues referred to above as long as any of these bonds remain outstanding.

DEBT RECORD: For 29 years, with the exception of two years during the World War, the Province has never failed to provide funds for the interest payments on its external debt. The Province funded the 1915 and 1916 interest payments at the time. The sinking fund payments due at this time were resumed in 1919 and 1920. Prior to this period, in 1890, in consequence of the so-called Baring crisis, the Province, in common with several South American countries including Argentina, failed to meet its external debt service. By agreement with the bondholders the external debt was refunded into bonds of the Argentine Nation and payments resumed.

FINANCE: In 1920 total receipts of the Province aggregated $30,950,000, and by 1925 they had risen to $46,570,000.

The total funded indebtedness of the Province, including this issue, is $239,302,300. The assessed value of privately owned real estate is in excess of $2,000,000,000, based upon present assessments, it being estimated that the actual market value is approximately double this amount. The total wealth of the Province is estimated at over $6,000,000,000, representing a per capita wealth in excess of $2,300, as compared with a per capita debt of less than $92.

All conversions of Argentine pesos to United States dollars have been made at par of exchange.

These Bonds are offered when, as and if issued and accepted by us and subject to the approval of Counsel, Messrs. Sullivan & Cromwell, New York City, who as to questions of Argentine law, will consult with Dr. Benjamin Garcia Victorica and Dr. Carlos Meyer Pellegrini, Buenos Aires. We reserve the right to reject subscriptions in whole or in part to allot less than the amount applied for and to close the subscription books at any time without notice. Temporary bonds or interim receipts deliverable in the first instance.

The First National Corporation
of Boston
White, Weld & Co.
Hallgarten & Co.
Kissel, Kinnicutt & Co.
Ernesto Tornquist & Co., Ltd.
Buenos Aires
Halsey, Stuart & Co.
Incorporated
Lehman Brothers
Cassatt & Co.
Graham, Parsons & Co.
William R. Compton Co.
Hornblower & Weeks
Royal Securities Corp., Ltd.
McLeod, Young, Weir & Co., Ltd.
R. A. Daly & Co.
Bell, Gouinlock & Co.
Matthews & Co., Ltd.

December, 1926.

The above statements were obtained partly by cable. We regard them as reliable but in no event are they to be regarded as representations by us.

Penman's

Stock Split, Long Heralded, Has Not Materialized — Instead Company Has Made New Issue of Bonds — Financial Position Still Strong

In spite of continuous rumours of a split, there has been no change in the capital stock of Penman's during the current year. The outstanding feature of interest to stockholders was the redemption of the old 5 per cent. bonds which matured last month, and the issue of a new sinking fund bond on a 5½ per cent. basis. Beyond that there are still no indications that the long-heralded stock split is any nearer fruition.

During the year 1925, net earnings showed a good improvement over 1924, amounting to $363,030 as against $351, 373 in the previous year. This compares with earnings of $432,951 in 1923.

As evidence of the keen competition that the company is facing, the rate of profit on sales show a decrease. Sales for 1925 amounted to $6,431,153, an increase of $1,117,047 over 1924, or equal to 21 per cent. During 1926, the Financial Post learns that earnings have been well maintained and that the Western business of the company has shown very marked improvement. Competition from British manufacturers remains as keen as ever and the position of the company, in this respect, remains unchanged.

Make All Knitted Goods

Penman's are manufacturers of hosiery, underwear, sweaters and other knit goods, with general offices at Paris, Ontario. The company owns and operates The Watson Manufacturing Co. of Brantford, and has mills at Waterford, Almonte and London in Ontario and at St. Hyacinthe and Coaticook in Quebec.

The new issue of bonds amounts to $2,000,000 and was used entirely to retire the old issue which fell due on that date. Previous to the announcement of the new bond issue, it was thought by many that the old bonds would be retired and the capital stock reconstructed.

However, Sir Charles Gordon, president, stated that the directors considered this form of financing to be in the best interests of the company. Consideration had been given to a stock issue, but it had been decided to issue bonds, as the latter would not be subject to income tax. The president explained that it was necessary in order to provide for expansion of plant without impairing the working capital of the company. As illustrating the proof in the company's business, it was stated that in 1906 the gross business handled had been $2,407,000, while in 1925 this had increased to $6,431,000. A bond issue for any less amount was therefore inadequate.

New High For Stocks

During 1926, the common stock of the company reached a new high of 190 as compared with previous performances of 185 in 1925 and 165½ in 1923. The present stock level is at about 182, which was the figure at which the stock sold a year ago. The market for the common has not been very active of late, and present indications point to no immediate change in capitalization, but a continued distribution of dividends which include a 2 per cent. bonus on common, in addition to the regular dividend of 8 per cent. The financial position of the company is exceptionally strong. Profit and loss account now stands at $1,384,737, and current assets were nearly fifteen times current liabilities.

Capitalization—

	Authorized	Outstanding
Common	$2,500,000	$2,150,600
Preferred	1,500,000	1,075,000

Shares $100 each.

Funded Debt—

First mortgage bonds, 5½ per cent. due 1951 .... $2,000,000

Dividend Record—

Common 8 per cent. per annum, payable quarterly, Feb., May, Aug. and Nov. Increased from 4 per cent. to 6 per cent. May, 1918; increased to 7 per cent. May, 1919; increased to 8 per cent. May, 1920. Bonus of 1 per cent. was paid Feb., 1916 and 1917; Feb. and May, 1918; 2 per cent. paid Feb., 1920 to 1926 inclusive.

Preferred 6 per cent. per annum, paid regularly since 1907, payable quarterly, Feb., May, Aug. and Nov.

Officers and Directors—

Sir Charles B. Gordon, G.B.E., president, R. B. Morrice, vice-pres., J. P. Black, H. B. MacDougall, V. E. Mitchell, K.C., D.C.L., Wm. McMaster, J. N. Laing, G. W. Grier, I. Bonner, H. Barrett, gen. mgr., C. B. Robinson, sec.-treas.

Profit and Loss—

	1924	1925
Profits	$ 570,078	$ 618,098
Bond interest	100,000	100,000
Depreciation	50,000	100,000
Taxes	25,000	30,000
Off machinery	18,838	....
Bad debts	24,867	25,068
	218,705	255,068
Net earnings	$ 351,373	$ 363,030
Pref. dividends	64,500	64,500
Com. dividends	172,048	172,048
Com. bonus	43,012	43,012
Surplus	$ 71,813	$ 83,470
Prev. surplus	1,229,454	1,301,267
Balance	$1,301,267	$1,384,737

Earning Rate—

Per cent. on com.	13.34	13.88
Per cent. on pref.	32,68	33.77

Nine Years' Earnings—

Year End. Dec. 31.	Earnings	Dividends	Surplus
1917 ..	$1,671,105	$ 172,030	$ 807,867
1918 ..	1,953,643	225,795	850,167
1919 ..	2,178,141	209,665	1,004,269
1920 ..	460,305	275,183	1,045,391
1921 ..	223,885	279,560	880,881
1922 ..	731,434	236,548	1,076,065
1923 ..	751,002	279,560	1,229,454
1924 ..	570,078	279,560	1,301,267
1925 ..	618,098	279,560	1,384,737

Market Record—

	1924 H	1924 L	1925 H	1925 L	1926 H	1926 L
Com.	165	134	185	144	191	173
Pref.	101	92	105½	99	104½	100¼
Bonds	99⅝	95	99½	98	100	99

Cotton Textile Outlook is Good

The fall in price of raw cotton during the current year has been substantial. One grade which sold at 24 cents a pound last January now sells at 12½ cents. Naturally, the continual sagging of the various companies' inventories has helped to reduce profits and naturally will affect the total gross profits of the industry.

While falling prices affect the companies adversely, yet the fact that prices are low tends to increase the demand for the finished product which has to some extent offset the inventory losses caused through falling prices.

The price of raw cotton is now down to bed rock—it is lower than the actual cost of production. Present crop estimates indicate that there will be a substantial carry-over to next year, all of which indicates that there will be little advance in present prices. This means then that probably in 1927 the low prices will be continued This will tend to increase consumption; therefore the outlook for the cotton textile companies during the coming year is satisfactory.

Moreover, most of the textile plants are concluding 1926 with earnings substantially at the 1925 level. Several of the companies' fiscal years end March 31. The remaining three or four months of the fiscal year is the time of largest orders, so that the outlook for satisfactory annual reports next April or May seems to be good at the moment.

Paton Manufacturing

One of the Few Woollen Weavers Which Has Been Able to Show Profits

In view of the extreme depression which has prevailed in the woollen weaving industry in Canada over the past few years, the results achieved by the Paton Manufacturing Comany seem to be remarkable. Early in 1923 a group of men associated with the Dominion Textile Company took over the company. Its securities are closely held and although these are listed on the Montreal Curb Exchange, they are traded in but infrequently. Limited amounts of the stock only are in the hands of the public.

The plant consists of a woollen mill, a worsted mill and complete carbonizing, dyeing and finishing plant. It is located in Sherbrooke, P. Q.

Over the past few years the Canadian woollen industry has been passing through such a time as it has never yet experienced, yet the Paton Company has been able to operate and moreover able to make money. This fact augurs well for the future, should there be any revival in the woollen weaving industry.

Atlantic Underwear

Earnings for 1926 Expected to Show a Twenty Per Cent. Increase—Position Improved

The fiscal year of the Atlantic Underwear Company ended on Nov. 30, and it is expected that when the annual report makes it appearance it will show an increase of at least 20 per cent. in the earnings as compared with 1925. During 1926 the company has experienced a decided improvement in business and for the past few months has operated at full time. During 1926 it has been necessary also at times to operate the plant overtime. The company was established in 1912. Its output is composed of a full line of wools, worsted, cottons and rayons. The annual turnover, when the plant is operating at full capacity, is well over $1,000,000. The chief market for its output is the Canadian west and the Pacific coast. This company is able to hold this market as it can ship to the West by water cheaper than to central Canada by rail.

Has Over 300 Employees

The company employs over 300 hands and has pioneered in welfare work. One activity along these lines consists of a $75,000 hostel which has been erected for its women employees who board there at actual cost.

The company is well situated as far as Maritime distribution is concerned. Its output, consisting of underwear, hosiery, sweaters, mitts, yarns, etc., rarely reach the consumer under the name of Atlantic underwear. The firm sells exclusively to wholesalers who often sell under their own name. The annual report will be published within the next few weeks.

Capitalization—

	Authorized	Outstanding
Common	$250,000	$240,000
Preferred	250,000	200,000

7 per cent. cumulative shares $100 ea.

Funded Debt—

Bonds, 6½ per cent., due 1944	100,000	100,000

Dividend Record—

Dividends on preferred regularly paid to end of 1924; passed for 1925. On common 4 per cent. was paid in 1916; 5 per cent. in 1917; 7 per cent. in 1918 and 1919; 5 per cent. in 1920; none since.

Officers and Directors—

M. S. Clarke, pres., W. F. Humphrey, vice-pres., W. F. Ferguson, J. L. McKinnon, A. E. Trites, R. W. Elliott, B. P. Saunders, T. W. Murphy, F. R. Sumner, J. L. Macdonald, gen, mgr. and sec., H. D. Adamson, treas.

Profit and Loss—

	1924	1925
Manuf. profits	*$ 3,728	*$ 15,972
Directors' fees	2,660	1,100
Bad debts	3,584	3.086
Bond interest	1,276	....
	11,248	* 20,158
Dividends	14,000	....
Less reserve	2,333	10,000
Surplus for year	*22,915	* 10,158
Prev. balance	159,486	136,570
Balance	136,571	126,412

* Loss.

Eight Years' Earnings—

Year	Earnings	Dividends	Surplus
1918	$79,991	$30,800	$ 25,266
1919	95,381	30,800	155,657
1920	48,846	26,000	157,529
1921	23,274	14,000	158,034
1922	41,033	14,000	159,198
1923	40,925	14,000	159,486
1924	*3,728	14,000	136,571
1925	*15,972	....	126,412

* Loss.

Canadian Woollens

Earnings Still Unsatisfatory, But Some Little Progress Has Been Made

As a whole, the woollen weaving business in Canada is in the doldrums, due to the competition with English woollen mills. The Canadian Woollens is no exception to the general rule and earnings during the past three years have been extremely disappointing to the shareholders.

During the last fiscal year the company disposed of its mill in Toronto. The plant was sold at a sacrifice but as carrying charges were heavy, it was deemed wise to accept the opportunity of turning a liability into an asset. This year, whilst prices has been low, the company has experienced a somewhat better demand and some progress has been made during the first six months of the fiscal year.

Origin of Company

Canadian Woollens, was incorporated in 1919, being a consolidation of the Auburn Woollen Co. established in 1918, owning a plant on 23 acres of land at Peterborough. The Standard Woollen Mills Company established in 1884, owning a plant located in Toronto, and the Bonner-Worth Company established in 1911, owning a modern plant located in Peterborough. The company's business consists in spinning, weaving and dyeing worsted and woollen yarns, tweeds and velours.

Without the consent of two-thirds of the preferred stock outstanding the company may not issue any mortgages, bonds or debentures having a priority over preferred stock. The preferred stock has preference for assets and dividends and is subject to redemption as a whole on July 1, 1941, at par, or as a whole or in part at any time after July 1, 1922 at 110 and accrued dividends. A sinking fund is provided commencing July 1, 1921, consisting of 2 per cent. per annum of all preferred stock outstanding, to be applied to the redemption of the preferred stock either by purchase in the open market at the market price or by call by lot at redemption price if not so purchasable. The preferred stock has no voting power except in the event of default for two years in the payment of preferred dividends, in which event it assumes full voting power.

CANADIAN WOOLLENS FINANCES

Capitalization—

	Authorized	Outstanding
Pref. 7% cum.	$1,750,000	$1,615,700
Com. stock	1,750,000	1,750,000

Funded Debt—

None.

Dividend Record—

Preferred 7 per cent. per annum payable 1st January, April, July and October. Passed for quarter beginning July 1, 1922, and since. Common, 1¼ per cent. paid on 1st October, 1920, and 1st January, 1921, but none since.

Officers and Directors—

A. O. Dawson, pres.; W. K. George, 1st vice-pres. and chairman; F. B. Hayes, 2nd vice-pres.; I. Bonner, G. D. Perry, C. M. Heddle, Wm. Hanson, Wm. Tinker, sec.-treas., E. M. Miller, asst.-treas.

Profit and Loss—

Year end: June 30.

	1925	1926
Oper. profits	75,172	$121,837
Other income	1,955	1,206
	77,127	123,043
Depreciation	46,090	23,113
Int. on bank loans	17,382	13,284
Loss sale on assets	....	63,913
Net profits	13,655	22,733
Stock redempt.	4,459	22,733
Bad debts res.	9,196	....
	13,655	22,733

Seven Years' Earnings—

Year	Earnings	Dividends	Surplus
1920	$615,089	$122,500	$300,727
1921	292,275	166,250	26,529
1922	204,649	122,500	22,228
1923	93,353	......	......
1924	134,306	......	......
1925	77,127	......	......
1926	123,043	......	......

Market Record—

	1924 H	1924 L	1925 H	1925 L	1926 H	1926 L
Com.	7⅛	4	15	5½	8	4
Pref.	42½	33	61	40	56	45

Montreal "Power" Stock At Reasonable Level

From Our Own Correspondent.

MONTREAL.—There seems to be no special significance attached to the recent decline in the shares of Montreal Light, Heat and Power Consolidated. It is said that a very large block of the stock was placed on the market, and this in part was responsible for the decline. The stock is so very popular that most of it is being salted away in safety deposit boxes, and those investors who regarded it at the price of 70 or 72 as being too high, now have the opportunity to purchase the shares at a more reasonable level. The general opinion is that there is little chance of the shares going below 65 at any time—in fact, present prices are regarded as low.

When selecting a Trust Company as an Executor, choose one whose fixed policy is to give

Financial Assistance

to Estates being administered by it

PAID UP CAPITAL
AND RESERVE $1,259,430.36

The Imperial Canadian Trust Co.

Executor, Administrator, Assignee, Trustee, Etc.

Head Office: Winnipeg
Branches: Saskatoon and Calgary

5½% Interest Return

INVEST YOUR SAVINGS
in a 5½% DEBENTURE of
The Great West Permanent Loan Company

SECURITY
Paid-up Capital $2,414,663.00
Reserves 1,100,000.00
Assets 6,184,420.00

HEAD OFFICE, WINNIPEG
Branches: Toronto, Regina, Calgary, Edmonton, Vancouver, Victoria, Edinburgh, Scotland.

These Famous Brands are Ideal Gifts for Smokers

PERFECTO
PANETELA
MARGUERITE
Season's Greetings
TUCKETTS
PREFERRED

WHY not distribute cigars or cigarettes to your staff and your business friends and customers this Christmas?

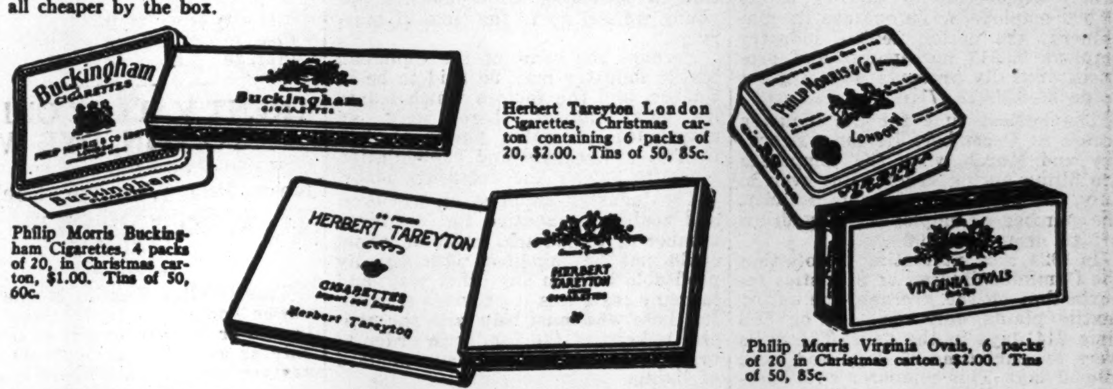
Any dealer or jobber can arrange with Tucketts to handle the mailing of your Christmas List. Tucketts do the wrapping, addressing and enclosing of your business or greeting card free of charge—billing the goods to the retailer or jobber, plus the postage, or express, and insurance. Here is a service which will save you time and trouble, and ensure that the recipient will receive fresh goods in the best of condition.

See your dealer today.

Tucketts Preferred Cigars — a famous brand — in sizes to suit every taste. They are put up in boxes of 10, 25 and 50, all in Christmas wrappers. As a guide, we quote the individual retail price. You can buy them cheaper by the box.

Corona, 25c. Palma, 3 for 50c. Perfecto, 15c. Invincible, 15c.
Panetela, 2 for 25c. Triangular, 15c. Epicure, 2 for 25c. Concha, 10c.

Other popular Tuckett cigars are Tucketts Marguerite, two sizes, Original and Long, 10c. Tucketts Club Special, 2 for 25c. Tucketts Serene, 10c. Tucketts Alpine Club, 3 for 25c. All in boxes of 10, 25 and 50, in Christmas wrappers, and all cheaper by the box.

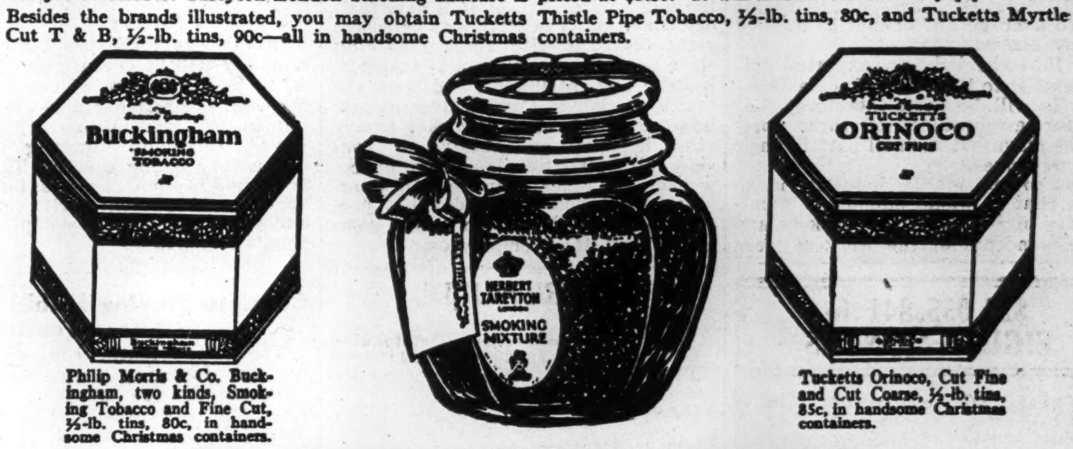


Philip Morris Buckingham Cigarettes, 4 packs of 20, in Christmas carton, $1.00. Tins of 50, 60c.

Herbert Tareyton London Cigarettes, Christmas carton containing 6 packs of 20, $2.00. Tins of 50, 85c.

Philip Morris Virginia Ovals, 6 packs of 20 in Christmas carton, $2.00. Tins of 50, 85c.

FOR PIPE SMOKERS, a jar or tin of cool-smoking, fine-flavoured tobacco is always a welcome gift. The 1-lb. Humidor Jar of Herbert Tareyton London Smoking Mixture is priced at $3.00. It will find favour with any pipe smoker. Besides the brands illustrated, you may obtain Tucketts Thistle Pipe Tobacco, ½-lb. tins, 80c, and Tucketts Myrtle Cut T & B, ½-lb. tins, 90c—all in handsome Christmas containers.



Buckingham Smoking Tobacco
Herbert Tareyton London Smoking Mixture
Tucketts Orinoco Cut Fine

Philip Morris & Co. Buckingham, two kinds, Smoking Tobacco and Fine Cut, ½-lb. tins, 80c, in handsome Christmas containers.

Tucketts Orinoco, Cut Fine and Cut Coarse, ½-lb. tins, 85c, in handsome Christmas containers.

TUCKETTS

Manufacturers and Distributors of
CIGARS, CIGARETTES AND TOBACCOS
all dressed up for Christmas—and ready at your dealers

C3-26

CANADIAN GUARANTY TRUST CO.
Acts as Executor, Administrator, Trustee, Guardian, Agent and in any other Fiduciary capacity.
Official Administrator for the Northern Judicial District in Manitoba and for the Swift Current Judicial District in Saskatchewan.
Head Office: BRANDON, MAN.
Branch Office: Swift Current, Sask.
JOHN R. LITTLE, Managing Director.

1926
MITCHELL METALCRAFT
75th YEAR
JUBILEE YEAR

Our Suggestion

We will be pleased to submit designs and specifications for any metal fittings and fixtures for banks, offices, hotels or public buildings.

THE ROBERT MITCHELL CO., LTD.
MONTREAL

Canada Imports More Woollen Goods Than Any Other Country

Conditions in the woollen and knitting industry in Canada during the past year and at present are strongly affected by conditions in this industry in Great Britain and on the continent. The increased buying power, which has been noticeable in Canada lately, is not felt in the fabric mills, and is only felt in the knitting mills on that portion of their production, which is specially adapted to Canadian requirements and therefore not competitive by European goods.

Any increase in orders for competitive goods have apparently been going outside of the country. While this is true of the last twelve months about three months ago retailers and wholesalers who had been buying from hand to mouth suddenly found themselves with shelves empty of knitted goods, and the bulk of the rush orders which resulted were apparently placed in the knitting mills of Canada for quick delivery. Unfortunately, this state of affairs cannot be expected to continue.

In some of the branches of the woollen and knitting industry, especially the cloth, it may be said that they have never found a more difficult time in their history.

Make Price Concessions

Mills in England, invaded even in their home market by goods from Germany and France, when the rates of wages paid are only one half of the very low wages paid in England, are making great price concessions to hold their home and foreign markets. The number of insured persons unemployed at the 20th of September in the woollen and worsted industry in Great Britain was 43,588, while of the 163,825 employed some 40 per cent. were working on short time with a loss of from ten and one-half hours to fourteen and one-half hours a week each on the average. The tremendous pressure to secure enough business to operate machinery even at this curtailed production has resulted in tops being sold below the price of wool, in yarns being sold below the price of tops, and at cloth being sold for export to Canada at below the replacement value. Complaint is general on the industry in England that goods must be sold below cost to secure any volume of business, and as one English visitor to Canada recently put it: "The Bradford trade has been living for the last year by eating its own tail."

Our Wages Double

With rates of wages paid in Canada in this industry double the rates of wages paid in England, and with the Canadian tariff not sufficient to equalize the difference in direct wages, indirect wages and overhead, the competing mills in Canada are passing through a very bad period. There are a large number of cloth mills closed down or working part time. Those which are working are only operating a small number of their looms, in many cases 68 per cent. of the looms being idle. This means that the majority of operating mills are faced with the choice of either incurring heavy losses which are inevitable in closing down, together with the loss and dispersion of their trained staffs, or combining to operate at a loss in the hope that some tariff relief will be granted them by Parliament. The Government survey for 1924, of the woollen textile industry, which does not include the hosiery and knitting mills using wool as a raw material, it states that the number of operating mills is 126 and adds: "Compared with 1923 there was a decrease of 16 in the number of establishments." An unofficial record of the woollen and knitting mills closed down since 1923 places the number to date at 39.

For the past six months of the fiscal year ending September, 1926, the imports into Canada were: worsted and serges, 5,026,818 yards; tweeds, 1,829,530 yards;

tweeds, 1,829,530 yards; overcoatings, 182,795 yards; women's and children's dress goods, 2,202,714 square yards; Cassimeres, etc., not shown in yards, $1,971,890; blankets of wool, $292,702; socks and stockings, $1,416,110; fabrics of wool 896,840 yards; flannels, 443,071 yards; yarns, $1,622,693. Import figures show that Canada imports more woollen knit goods per head of population than any other principal country in the world.

COTTON OUTLOOK FOR 1927 GOOD

The price of raw cotton has recently slumped to the lowest point during the year. This has been caused by the huge 1926 crop, and as the producers are receiving less than it costs to raise the cotton, it seems that present prices are at about an irreduceable minimum. This has made necessary the further downward revision in the market for cotton fabrics in the United States. The low prices, however, will stimulate consumption of cotton cloth, and the present prospects for the cotton textile industry in Canada in 1927 are now more favorably regarded.

Cotton Companies Support City of 100,000 at Least

Entirely Eastern Industry Which Plays Part in Industrial Life of Dominion — Plants Often Idle — Provides Satisfactory Living for Employees

There are in all 70 cotton textile plants in Canada, all of which are situated in the central and eastern provinces; Nova Scotia has one, New Brunswick four, Quebec 36, and Ontario operates 29 plants.

This branch of the textile industry, alone, employs $91,212,829 in capital, and it disburses annually nearly $13,000,000 in salaries to its 20,000 employees. To operate its machinery, the cotton textile industry employs 92,517 horsepower and produces annually products with a gross value of $78,978,071.

The busiest time for the industry occurs in December, January, February and March when the companies are filling spring orders. But even in July, the period of minimum activity, the number of employees only drops off to around 17,000.

In 1924, it is interesting to note that the Dominion Bureau of Statistics reports that on the average, the cotton textile plants only operated on full time 214 days in the year. The mills were on part time 35 days and were idle 55 days. This compares with operations on full time during 272 days in 1923, and on part time 15 days and idle 17 days. Of course, these figures are an average and cannot be applied to any one company.

In 1924 the industry exported cotton textiles to the value of some $866,000. It will be seen therefore, that the foreign business of these companies plays but a small part in their total revenues.

The cotton textile industry is so large that it would support a municipality of 100,000 if the workers and the dependents of the workers were segregated in one city. This gives a fair idea of the importance of this one branch only of the textile industry.

The industry provides employment for a large number of women workers who otherwise would be doing nothing or depending on domestic service. The mills also perform a useful function in providing an occupation for young women up to the time of marriage.

Perhaps the home of the Canadian textile industry may be said to be in Quebec, and the factors which led to its establishment there were an abundance of water power, and a thrifty, hard-working population ready to supply the necessary labor.

The industry supplies an excellent and healthy occupation for a large number of Canadians, many of whom could not be supplied with equally profitable work in any other way, and in many instances it provides a living for those who must help with the general upkeep of the family in order to bring it up to the Canadian standard of living.

The centres in Canada which are supported by the cotton textile industry will be found to be in a satisfactory condition. The birth and marriage rates compare with those obtaining elsewhere; the population is satisfied, healthy and intelligent, and thus, the textile worker in Canada lives as satisfactory a life as any worker in any other industry, and obtains a considerably better livelihood than his co-workers in other countries. Incidentally an exceedingly good spirit prevails between the cotton textile companies and their employees.

$21,055,841 in EIGHT MONTHS

BUILDING construction in Greater Vancouver the first eight months of 1926 amounted to $21,055,841, as against $13,224,950 in the same period last year. Figures like these indicate the solid foundation for the faith of those who are investing in Vancouver properties and industries.

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COURTAULDS

Capitalization—

	Authorized	Outstanding
Common	£12,000,000	£12,000,000
Pref.	8,200,000	8,200,000

5 per cent. cumulative.

Funded Debt—

None.

Dividend Record—

On preferred 5 per cent. was paid in 1925. On common dividends have been paid in recent years as follows: 1914, 12½ per cent.; 1915, 20 per cent.; 1916, 30 per cent.; 1917, 30 per cent.; 1918, 32½ per cent.; 1919, 40 per cent.; with bonus of 100 per cent.; 1920, 23¾ per cent, with bonus of 200 per cent., 1921, 11¼ per cent.; 1922 and 1923, 15 per cent. each; 1924, 20 per cent.; July 31, 1925, interim dividend of 7½ per cent.; Mar. 9, 1926, final dividend of 17½ per cent.; July 30, 1926, interim dividend of 6¼ per cent.

Officers and Directors—

S. Courtauld, chairman; E. Kettle, sec.; S. Bourne, S. A. Courtauld, Sir T. P. Latham, F. J. Nettleford, J. S. Addison, F. Johnson, H. Johnson, G. J. Bell.

Tooke Bros.

Earns Increase But is Affected by Poor Trade Conditions

For the first time in the past six years, the earnings of Tooke Brothers were above the preferred dividend requirements during the fiscal year which ended June 30, 1926. Whilst earnings during the last five years have not been satisfactory, yet they are on the up grade. No prerred dividends have been paid since the end of 1921.

In view of the steady increase in earnings, the outlook seems brighter than the arrears of preferred dividends would at first indicate. The company is in a healthy working position.

Originally established fifty-five years ago Tooke Brothers has grown to be the largest manufacturer and importer of men's goods, including shirts, collars, neck wear, hosiery, underwear, etc. in Canada. Its plant is situated in Montreal, and branches, warehouses and salesrooms are maintained in many other cities throughout the Dominion.

The company has three subsidiaries which are controlled through the ownership of all the outstanding stock: the Alliance Manufacturing Company, the Canadian Handkerchief Company, and the United Paper Box Company. Conditions in men's wear trade over the past few years have been poor and until such time as there is a real improvement in the trade, it will be impossible to declare any dividends.

Capitalization—

	Authorized	Outstanding
Common	$1,250,000	$650,000
Preferred	1,250,000	985,000

7 per cent. cumulative. Shares $100 ea.

Funded Debt—

First mortgage, 7 per cent. bonds, due 1942	$318,500

Dividend Record—

Preferred dividends were regularly paid, March up to June, 1914; none thereafter until July, 1915, when 1¾ per cent. was paid; again deferred until July, 1916, when 3½ per cent. was paid; Oct., 1916, 1¾ per cent.; Dec., 1916, 1¾ per cent. and 1¾ per cent. on account of accumulated dividends; Mar., 1917, 1¾ per cent.; June, 1917, to Dec., 1921, inclusive, 1¾ per cent. each quarter; none since. In addition, 1¾ per cent. each on account of accumulated dividends was paid in July, 1917, and July, 1918, and 3½ per cent. in July, 1919. No dividends on common.

Officers and Directors—

W. A. Tooke, pres.; Col. C. W. MacLean, vice-pres.; W. S. Barker, sec-treas.; N. A. Galt, W. Hanson, W. M. Weir, W. K. Trower.

Profit and Loss—

Year ending June 30.

	*1924	†1925	1926
Gross profits	$ 98,116	$100,824	$116,777
Interest	23,637	25,045	22,298
Dep. on mach., etc.	17,539	18,786	16,297
Tax and bond dis.	6,326	7,048	7,505
Net profits	$ 44,614	$ 49,945	$ 70,677
Prev. bal.	124,821	169,435	219,379
	$169,435	$219,380	$290,056

Earning Rate—

Per cent. on pref.	4.53	4.97	7.17
Per cent. on com.	..	..	..

*Year to May 31.
†For 13 months ended June 30.

Nine Years' Earnings—

Year	Earnings	Dividends	Surplus
1918 ..	$135,757	$ 86,188	$149,379
1919 ..	152,310	86,188	200,501
1920 ..	238,230	103,425	320,306
1921 ..	93,524	68,950	344,881
1922 ..	*58,681	34,475	102,572
1923 ..	61,910	....	124,821
1924 ..	92,117	....	169,434
1925 ..	100,824	....	219,380
1926 ..	116,777	....	290,056

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* Loss.

Market Record—

	1924		1925		1926	
	H	L	H	L	H	L
Com.	10	10	8	8	8	8
Pref.	40	38	62⅛	37	81½	55

TRENT VALLEY ONLY TO SPIN, DYE WOOL

New Rea Venture Seeks to Serve Others in Industry

Trent Valley Textile is one of the newer companies in the wool industry. For the present, it is operating only as a dyeing and spinning works at Trenton, Ont., and there is an intimation that this will be as far as the company will go, endeavoring to serve other manufacturers carrying the process further.

In this event the propectus of the company will be revised, according to A. E. Rea, president of the company. Mr. Rea is president also of the Dominion Combing Mills in the same town. Dominion Combing has not had a very happy career. The tariff is blamed in some respects, but it was begun under present tariff conditions and financing of both companies has been expensive.

Changed Buying Habits Affect Textile Mills

The cotton textile companies during the last few years have been handicapped due to the changing habits of the public. The hand-to-mouth buying habit, of course, has had its effect, but what has affected them more is that the public's fancy now seems to demand more frequent style changes. These result in shorter runs of any given line and more frequent setting up of looms. All of which produces higher overhead for the mills.

One of the reasons for the rapid style changes lies with the manufacturers themselves who, due to the poor demand, have had to resort to the creation of new fabrics in order to create a public appetite for their output. The latter applies principally to U. S. firms, but Canadian companies have been affected for they must follow the trend in that country.

As an Investor You Need to Know the Facts

What Was the Trend of Industrials in 1926?

What Interest do the Paper Stocks Pay?

How Have Various Stock Groups Fluctuated in the past years?

What is the Price Range in Mining Stocks?

What is the Value of Securities Issued by the Dominion, Municipal, Corporation and Railway, since 1918?

Where Have They Been Placed?

What is the Ratio of Current Assets to Current Liabilities of Various Stocks?

AS AN investor, whether of hundreds or thousands or tens of thousands, profits depend on accurate judgment based on sound information. Yet many men depend on the haphazard, word of mouth method of securing their information.

Someone says: "The power group have had a good year." Perhaps they have. Perhaps even that is tepid enthusiasm. But the point is that such a casual statement may mean much, or it may mean nothing. It may be the judgment of a man who has carefully considered the field, or it may be enthusiasm based on nothing but vague rumor. Are you ready to gamble on someone else's catch judgment.

No one can cover every eventuality that may arise in the investment field, but, balancing one thing against another, considering the evidence of the past, the fluctuations of the stock in which you are interested over a period of years, its dividend record, the ratio of its assets to liabilities, will give you that sound background of established facts necessary to truly judge an investment.

There are ways and ways of securing such information. Much of it is stored away in company records, in financial statements, in blue books, but how are you to lay your hand on these at the moment when you need them most? It is an almost hopeless task. It is to meet just such a need that the Financial Post Survey has been planned. In it you will find these questions fully answered, and with them a mass of other material in readily available form that will surprise you by its completeness.

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You may be a business man, with your interests centred in your business. Your investments may lie there, but there are a multitude of places where that business touches other business, where conditions in various sections influence your actions.

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—Saturday Night.

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